

# KURIMOTO REPORT 2016

Business and CSR Report

Manufacturing the future

**KURIMOTO**



# Kurimoto – Manufacturing the future

Since our establishment in 1909,  
Kurimoto's first priority has been customer satisfaction.  
We have contributed to improvement of social infrastructure,  
and to expansion of critical infrastructure and industrial equipment.  
We continue to refine our technology accumulated over the last 100 years.  
With our original technology and by providing products and services,  
we would like to continue to contribute to protecting  
the lifelines and people's way of life.  
We aim to be a unique company brimming with  
creativity and the spirit of challenge.  
This is Kurimoto's wish.

## C O N T E N T S

- 3 Business of the Kurimoto Group
- 5 Message from the President

### ● Financial Results for Fiscal 2015

- 8 Overview of Business Operations
- 10 Financial Highlights
- 11 Consolidated Financial Statements

### ● Strategy and Business Bases

- 12 Corporate Philosophy
- 13 Three-Year Mid-Term Business Plan
- 14 Compliance / Risk Management
- 16 Corporate Governance
- 18 Board of Directors

### ● CSR Management

#### ● For Customers

- 19 Quality Control

#### ● With Suppliers

- 21 With Suppliers

#### ● With Shareholders/Investors

- 22 With Shareholders/Investors

#### ● With Local Community/Society

- 23 With Local Community/Society

#### ● With Employees

- 24 Fair Personnel Management, Support for Capacity Building
- 25 Work Environment
- 26 Safety and Health

#### ● With the Global Environment

- 28 Environmental Management
- 31 Prevention of Global Warming
- 32 Conservation of Water Resources, Prevention of Pollution
- 33 Waste Reduction

- 34 TOPICS

### ● Data

- 35 Stock Information
- 36 Corporate Profile / Editorial Policy

Our website is regularly updated with the latest information.

<http://www.kurimoto.co.jp/english/index.htm>



## What Kurimoto Makes, What Makes Kurimoto.

The Kurimoto Group develops its business in the two main fields of “social infrastructure” and “industrial equipment.”

To create infrastructure that underpins every activity of society in a better way and to deliver products and services that support manufacturing in diverse industries, we have heightened our technical skills and know-how through our experience of more than 100 years.

Through our business operations, we work to supply and secure infrastructure, realize safety and security and improve the quality of end products for customers.

We are thus committed to creation of a wide range of values.

### Business Areas of the Kurimoto Group

#### Social infrastructure



We establish infrastructure to underpin society with our reliable technology.

#### Industrial Equipment



We provide manufacturing support for a wide range of industries with our original technology.

## Values Created Through Our Business

### Social infrastructure

#### Provision and securing of infrastructure

We establish and maintain life-supporting infrastructure including water supply and sewage systems, energy, communications, roads and railroads from both medium- and long-term perspectives.

#### Creation of comfortable space

We help create clean and comfortable living spaces by providing products such as iron pipes, valves, pipes and construction and air conditioning materials and through construction methods that take advantage of the properties of these products.

#### Creation of a beautiful landscape

In developing and providing highly functional products, we also pay attention to esthetics in their usage to contribute to creation of beautiful landscapes.

#### Development of a lifestyle

We promote development of a new lifestyle with our products that are closely related to people's life and its improvement.

### Common

#### Realization of safety and security

While promoting total quality services (combination of high value, high quality and high services), we realize safety and security by being well prepared for the unexpected.

#### Preparation for earthquakes and disasters

Our products and services aid in preparation for earthquakes and disasters, and include earthquake resistance improvement of infrastructure, emergency shutdown valves, earthquake-resistant emergency water tanks and various other products with earthquake-resistant specifications.

#### Energy saving and environmental conservation

While promoting environmental management and reducing environmental impact of our own business activities, we develop and design products that contribute to energy saving, reduction of CO<sub>2</sub> emissions and prevention of environmental pollution.

#### Realization of people's happiness

Through our commitment to manufacturing that truly supports society, we pursue the realization of people's happiness.

### Industrial Equipment

#### Quality improvement of end products

We supply a wide range of equipment that helps improve quality of end products, such as high-precision warm- and hot-forging press machines.

#### Productivity improvement

We offer high-efficiency and high-reliability manufacturing equipment and related products, total design and engineering based on know-how accumulated over many years and quality services after sales, to improve the productivity of manufacturing lines.

#### Cost reduction

We promote product development with focus not only on economic efficiency but also on transportability, workability, durability, reliability in operation and ease of maintenance and inspection to bring about overall cost reduction.

#### Solution of difficult problems

Making maximum use of our technical abilities and responsiveness developed through long experience, we assist customers in solving difficult problems related to industrial processes.



To Stakeholders

We aim to be a "strong company" that can respond to changes in the business environment quickly, and work to raise the Group to a higher level

Kurimoto, Ltd. President **Moriyoshi Kushida**

---

## 【 Greeting from the new president 】

I, Moriyoshi Kushida, became the president of Kurimoto on April 1, 2016. Realizing the huge responsibilities of the presidency, I would like to make a few remarks to stakeholders.

Since our founding in February 1909 to manufacture cast iron pipes with casting technology for water supply systems, Kurimoto has worked to develop and improve infrastructure and industrial equipment for more than 100 years to establish a society where people can live safely and comfortably. I sincerely appreciate the support and patronage of the stakeholders for our Group.

Kurimoto formulated an excellent corporate creed in February 1961, which has three main pillars: innovation of technology and business management; cultivation of intelligence and gathering of the collective wisdom; and devotion to effectiveness. I would like to explain my thoughts in line with them.

I am proud that our products underpin social infrastructure and industrial equipment. For our Group to keep contributing to society through its products, we must continuously provide services throughout the product lifecycle and work responsibly for the renewal and rehabilitation of the products after their end of life. This is why the Kurimoto Group has a mission to maintain sustainable growth. While Dr. Noboru Makino, former chairperson of the Mitsubishi Research Institute, said "Do not keep away from your regular business, do not just continue the business but change the content of the business," I consider that the Group cannot grow in a sustainable manner unless the content of the regular business of each division or Group company is changed and adjusted to social demand in the current rapidly changing social conditions. With this in mind, we will devotedly work for the "innovation of technology and business management" as in our corporate creed.

Next, I consider that a role of the president is to guide the mid- and long-term improvement of corporate value through sustainable growth. To fulfill this role, it is necessary to build a strong organization, which serves as the skeleton, develop strong human resources, which serve as the muscles, and quickly share information, which serve as the bloodstream, among them. This is essential for sustainable growth. I believe that it is my mission to stubbornly practice "cultivation of intelligence and gathering of the collective wisdom," which is part of our corporate creed.

In addition, to avoid ending up with seeking sustainable growth only as a slogan without realizing it, we need a logical and objective attitude along with strong will. In other words, we have to promote the efficiency of our manufacturing activities and further enhance our efforts to maximize added value. For manufacturers like us, the source of added value and original value is definitely the production site. Information on the knowledge and know-how obtained from the reality and actual things in the production site are transferred to the upstream and downstream of the business process, and then fed back into the production site as sophisticated information added with existing and potential needs of customers. This feedback makes it possible to effectively pursue the "creation of the company's unique value" through the "improvement of productivity and maximization of added value." For us, the knowledge and know-how accumulated in the production site are treasures. We would therefore like to make the production site recall "devotion to effectiveness," as in the corporate creed, to restore our Group so that it becomes a strong manufacturer again.

## 【 Quick first step and 5-GEN principle 】

I have two important policies.

The first policy is: "When you have decided to do something, take an action that serves as the beginning without postponing it." The keys here are how to take the first step quickly, how to identify as many problems as possible and how to take proper measures to address them.

The other policy is that the issues for the achievement of a goal cannot be realized or shared if they are explained only with numbers, sentences and words. It is therefore crucial to visit actual sites (GEN-ba) of sales and production activities, as well as customers, and fully know the reality (GEN-jitsu) about the trend of people and goods (GEN-butsum). As a result, a practical strategy can be planned for sales activities, and standards (GEN-soku) based on principles (GEN-ri) can be established in the production site. This 5-GEN principle is significant for us to be a "strong company" in the real sense that can make appropriate strategic decisions on the selection of the business fields and lead the efforts in the areas where we can make profits. I will take actions based on this 5-GEN principle and promote the business so that our Group is evaluated as a "strong company."

## 【 CSR initiatives 】

A company cannot exist or act without trust from society. I believe that it is an inevitable role and duty for a company to fulfill social responsibility. Our Group's Corporate Standards of Conduct specify what we should do for conservation of the global environment and for contributing to society and to the international community, and all employees across the departments keep CSR in mind in their business activities.

Similarly, CSR occupies an important place in the business operations of our company, and CSR activities need to be performed as daily activities. First of all, we give top priority to contributing to infrastructural improvement and industrial development through supply of products and services of our Group for society, to fulfill our corporate social responsibility. We will continue to make corporate efforts with recognition that supply of better products and services leads to fulfillment of CSR.

## 【 In conclusion 】

The currently promoted three-year mid-term business plan is a milestone to establish a goal that the Kurimoto Group should pursue in ten years, and to create initiatives in new business domains while securely maintaining our existing business infrastructure. While the quantitative targets have been revised as a result of the recent re-assessment of the dramatically changing business environment, what our Group should do has not changed but become even clearer in my understanding. The entire Kurimoto Group will work together to continuously promote initiatives for sustainable growth.

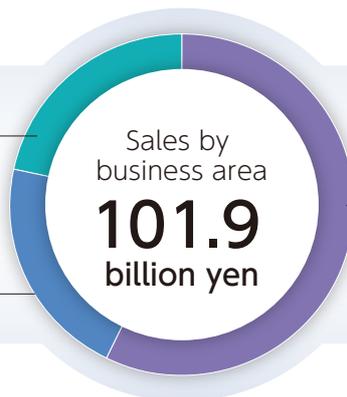
I sincerely ask for your continued and enhanced support.



# Overview of Business Operations

Industrial materials business  
21.9 billion yen (21.5%)

Machinery system business  
21.6 billion yen (21.2%)



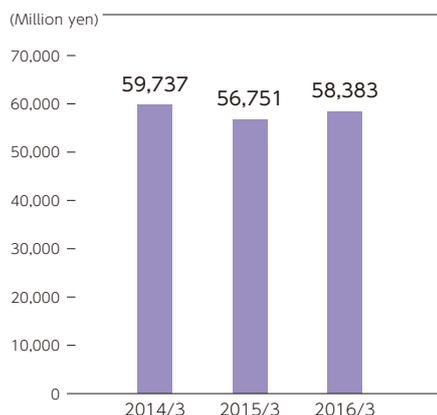
Pipe system business  
58.3 billion yen (57.3%)

## Pipe system business

Sales **58.3 billion yen**

As to sales from the pipe system business, the Ductile Iron Pipe Division increased its sales due to growth in shipments of large diameter pipes despite a drop in shipments of small diameter pipes. The Valve Division also recorded steady growth in shipments. As a result, total sales from this business rose from the previous consolidated fiscal year by 1,632 million yen to 58,383 million yen. Operating income increased by 166 million yen from the previous consolidated fiscal year to 2,182 million yen due to cost improvement in the Valve Division although profits in the Ductile Iron Pipe Division declined with a decrease in the sales of small diameter pipes.

### ■ Sales

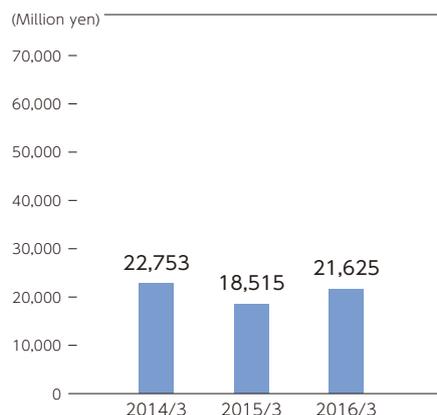


## Machinery system business

Sales **21.6 billion yen**

Sales from the machinery system business grew from the previous consolidated fiscal year by 3,109 million yen to 21,625 million yen due to an increase in shipments of relatively large-sized roll forging machines in the Plant Engineering and Machinery Division as well as steady growth in shipments in the Materials and Machinery Division. Operating income increased from the previous consolidated fiscal year by 530 million yen to 1,020 million yen due to revenue and profit growth mainly in the Plant Engineering and Machinery Division and the Materials and Machinery Division and earning recovery in the Plant System Engineering Division.

### ■ Sales

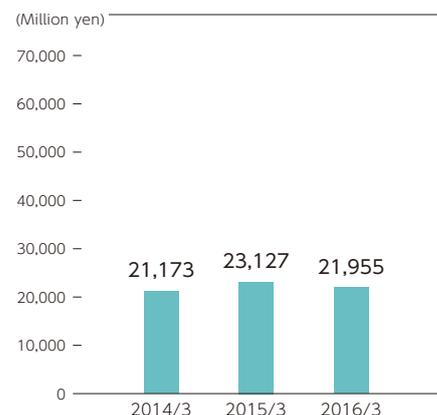


## Industrial materials business

Sales **21.9 billion yen**

As to sales from the industrial materials business, the Construction Materials Division recorded a decrease in shipments of civil engineering products and construction products partly because of the impact of changes in the delivery deadline, while shipment of noise reduction products increased. The Plastic Products Division also experienced a fall in shipments of mainly agricultural and sewage products. As a result, sales from the business declined from the previous consolidated fiscal year by 1,172 million yen to 21,955 million yen. Operating income decreased from the previous consolidated fiscal year by 484 million yen to 157 million yen due to lower earnings as a result of the decline in revenue in the Plastic Products Division, along with a fall in profits in the Construction Materials Division as a result of a drop in revenue from civil engineering products and construction products.

### ■ Sales



Pipe system business

Ductile Iron Pipe Division



Water and gas pipes underground that support society. Ductile iron pipes play a major role in our living environment, and can be found everywhere, in cities, suburbs and villages.

Product Lineup

Ductile iron pipes (straight pipes, deformed pipes, joint parts), abrasion-resistant pipes

Valve Division



We handle a great number of valves for water purification and sewage treatment plants in the government sector, for power plants, ironworks and plants in the private sector, and overseas.

Product Lineup

Butterfly valves, soft seat gate valves, sleeve valves, emergency shutoff valves for water tanks, various control valves, blast furnace valves, preliminary actuation type (negative pressure wet type) sprinkler valves, water flow indicators

Machinery system business

Plant Engineering & Machinery Division



Our industrial equipment supports production lines in various industries, and plays a part in bringing products to the world. We also make broad contributions to society by supplying from individual machinery to total engineering.

Product Lineup

Pulverizers, classifiers, granulators, dryers, calciners, mixers/kneaders/dispersers, reactors, solvent recovery equipment, secondary battery material manufacturing devices, various industrial machines, testing machines, plant and system equipment, forging press machines, bending rolls, various peripheral devices for forging press machines, plant engineering works, design / production / procurement / construction / test run and maintenance of various plants

Materials & Machinery Division



Our line of products with unique crushing technologies and materials technology, plays an active role in various types of industries, such as aggregates, iron and steel.

Product Lineup

Crushers, grinder mills, conveyors, abrasion-resistant metal castings, heat-resistant metal castings, wear-resistant pumps, railroad brake disks

Industrial materials business

Construction Materials Division



We offer a wide variety of products, along with quick delivery, to meet customer expectations.

Product Lineup

Spiral ducts, various flexible ducts, Silent Flex, various noise-reduction products, stainless steel ducts, Super Spiral ducts, winding sheaths, polyethylene sheaths, winding pipes, void slabs, various earthquake-resistant products, through-hole reinforcement steel (Super Harry Z), corrugated fiberboard ducts (Corru-Air Duct), noise-reduction services (measurement, design, production, construction, verification), translucent noise-absorbing screens (VIEWSONE), half precast products (Kaiser Slab, Kaiser Balcony), PCa system staircase

Plastic Products Division



The Polycon FRP series offers a flexible and wide range of applications for efficient use of FRP functions. We aim to have truly reliable manufacturing processes, and we contribute to the installation of social infrastructures on a wide scale.

Product Lineup

Fiberglass-reinforced plastic mortar (FRPM) pipes, Fiberglass-reinforced plastic (FRP) pipes, FRPM panels, FRP cores, FRP pultrusion moldings, various synthetic resin moldings

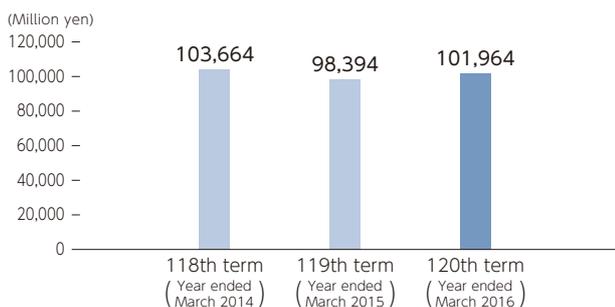
# Financial Highlights

In our Group's business performance for this consolidated fiscal year, a gain in shipments mainly in the Plant Engineering and Machinery Division and the Materials and Machinery Division resulted in a sales increase from the previous consolidated fiscal year by 3,570 million yen to 101,964 million yen.

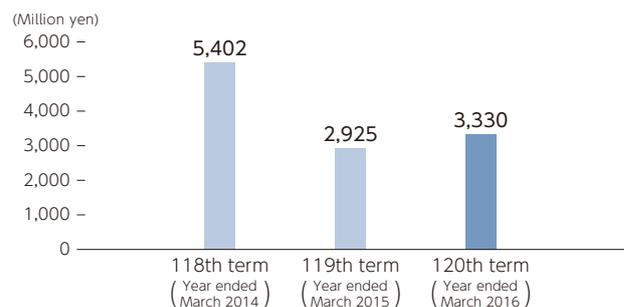
On the profit side, due to the impact of increased revenue in the Plant Engineering and Machinery Division and the Materials and Machinery Division, operating income stood at 3,330 million yen (an increase of 405 million yen from the previous consolidated fiscal year) and current earnings were 2,889 million yen (an increase of 335 million yen from the previous consolidated fiscal year). Net income attributable to equity holders of the parent was 2,194 million yen (an increase of 595 million yen from the previous consolidated fiscal year) resulting from the posting of gain on sales of investment securities and an extraordinary loss from the partial transition to a defined contribution pension plan, as well as corporate tax.

Net income per share rose from 12.34 yen to 16.98 yen. Net assets per share declined from 380.30 yen to 369.56 yen.

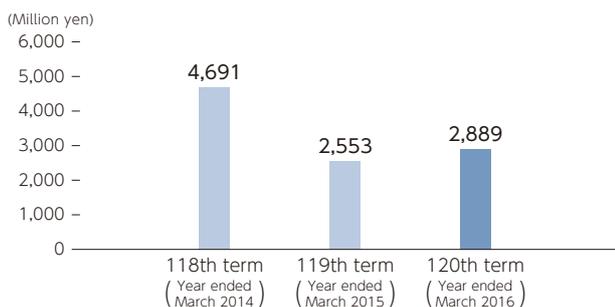
## ■ Sales



## ■ Operating income



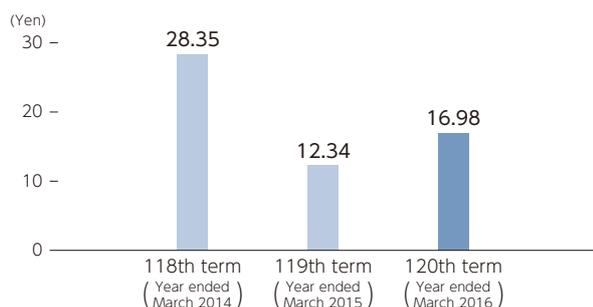
## ■ Current earnings



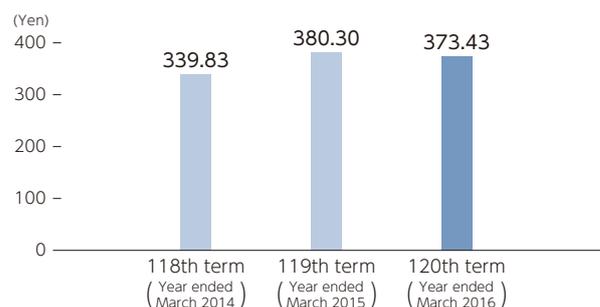
## ■ Net income



## ■ Net income per share



## ■ Net assets per share



# Consolidated Financial Statements

## Assets, liabilities and net assets

Gross assets at the end of this consolidated fiscal year decreased by 3,502 million yen, to 124,382 million yen. Current assets increased by 231 million yen, to 77,552 million yen, while fixed assets decreased by 3,734 million yen, to 46,829 million yen. Liabilities decreased by 2,167 million yen, to 76,133 million yen. While current liabilities declined by 1,232 million yen, to 58,634 million yen, fixed liabilities declined by 934 million yen, to 17,498 million yen. Net assets declined by 1,335 million yen, to 48,249 million yen.

## Cash flows

Cash and cash equivalents decreased from the end of the previous consolidated fiscal year by 1,721 million yen, to 17,005 million yen. Net cash provided by operating activities was 2,675 million yen and net cash used in investing activities was 767 million yen, while net cash used in financing activities was 3,610 million yen.

\* For details, please see the earnings digest and securities report.

## Consolidated Balance Sheets

(Million yen)

Item	This fiscal year	Previous fiscal year
	As of March 31, 2016	As of March 31, 2015
<b>(Assets)</b>		
Current assets	77,552	77,320
Fixed assets	46,829	50,564
Tangible fixed assets	33,243	33,061
Intangible fixed assets	702	607
Investments and other assets	12,883	16,894
<b>Total assets</b>	<b>124,382</b>	<b>127,884</b>
<b>(Liabilities)</b>		
Current liabilities	58,634	59,867
Fixed liabilities	16,998	18,433
<b>Total liabilities</b>	<b>75,633</b>	<b>78,300</b>
<b>(Net assets)</b>		
Shareholders' equity	51,276	49,616
Capital stock	31,186	31,186
Capital surplus	6,942	6,959
Retained earnings	14,241	12,563
Treasury stock	△ 1,093	△ 1,092
Total accumulated other comprehensive income	△ 3,021	△ 472
Valuation difference on available-for-sale securities	1,794	3,949
Deferred hedge P/L	7	△ 5
Remeasurements of defined benefit plans	△ 4,823	△ 4,416
Non-controlling interests	493	439
<b>Total net assets</b>	<b>48,749</b>	<b>49,584</b>
<b>Total liabilities and net assets</b>	<b>124,382</b>	<b>127,884</b>

## Consolidated Statements of Income

(Million yen)

Item	This fiscal year	Previous fiscal year
	From April 1, 2015 to March 31, 2016	From April 1, 2014 to March 31, 2015
Net sales	101,964	98,394
Cost of sales	79,139	76,219
Gross profit	22,824	22,175
Selling, general and administrative expenses	19,494	19,250
Operating income	3,330	2,925
Non-operating income	529	638
Non-operating expenses	970	1,009
Current earnings	2,889	2,553
Extraordinary income	737	26
Extraordinary loss	535	0
Income before income taxes and minority interests	3,091	2,579
Income taxes - current	576	285
Income taxes - deferred	278	641
Total income taxes	854	927
Net income	2,236	1,652
Net income attributable to non-controlling interests	42	54
Net income attributable to equity holders of the parent	2,194	1,598

## Consolidated Statements of Cash Flows

(Million yen)

Item	This fiscal year	Previous fiscal year
	From April 1, 2015 to March 31, 2016	From April 1, 2014 to March 31, 2015
Net cash provided by (used in) operating activities	2,675	3,438
Net cash provided by (used in) investing activities	△ 767	△ 4,701
Net cash provided by (used in) financing activities	△ 3,610	△ 4,834
Effect of exchange rate changes on cash and cash equivalents	△ 17	72
Net increase (decrease) in cash and cash equivalents	△ 1,721	△ 6,025
Cash and cash equivalents at beginning of year	18,726	24,577
Increased cash and cash equivalents following new consolidation	—	175
Cash and cash equivalents at end of year	17,005	18,726

# Corporate Philosophy

The Kurimoto Group performs business activities in accordance with the principles specified in its Corporate Philosophy, such as conservation of the global environment and protection of social infrastructure.

## Corporate Philosophy

### 1. We respect and value Earth, its water, air and life, and we will protect social infrastructure.

The Kurimoto Group is committed to environmentally responsible manufacturing. We seek to perform production activities in an environmentally friendly manner and make efforts to save energy and resources and to promote recycling. Mainly through creation of infrastructure that underpins people's life, we continue to make contributions in the business areas that support human society. (Infrastructure comprises vital lifelines including water supply and sewage systems, gas, electricity, communications, roads and railways.)

### 2. We offer “reassurance” in response to society and to our customer's trust.

The Kurimoto Group has been offering reassurance to society for 100 years, since its foundation. Without our customer's trust, we would not continue to exist. Based on the trust built over many years through concentration on solid business operations without involvement in risk-prone business activities, we offer “total quality services” (combination of high value, high quality and high level services) to further enhance the trust. We aim to maximize the trust we receive through the combination of quality, prices, delivery, maintenance and services so that we can provide reassurance at an even higher level.

### 3. We listen to our customers, learn from our customers, further develop and innovate technology, and offer original “optimal systems” to our customers.

In cooperation with customers, the Kurimoto Group demonstrates entrepreneurship based on the worksites. Kurimoto's original technology is enhanced and expanded with new technology to pursue manufacturing with commitment to customer satisfaction. We do not simply produce and sell goods but also offer the values appreciated by customers. The original technology we propose is also original to customers, and they can create original value by adopting our original technology.

### 4. We aim for the happiness of our employees and of mankind, through manufacturing products.

Corporate activities begin with pursuit of the happiness of people. We focus on manufacturing that truly supports human society, and realize improvement of working conditions and welfare of employees while contributing to society. Setting pursuit of people's happiness as a basic goal for business management, we work for business growth and social development.

### 5. For the implementation of the above, we ensure strict compliance, harmonize inheritance and changes, respect individuality and ingenuity, and work hard to contribute to society and to the development of business.

Inheriting history and tradition, we make efforts to ensure strict compliance in business operations, respond to changes of the times, implement continual improvement and innovation and pursue both development of the business and contribution to society (CSR activities) in a well-balanced manner.

# Three-Year Mid-Term Business Plan (2015 to 2017)

Under the three-year mid-term business plan (2015 - 2017), the Kurimoto Group sets a goal to become “a unique company filled with challenging spirit and creativity,” and is making efforts to expand business scale and improve profitability toward this goal.

## Business performance for fiscal 2015

In fiscal 2015, which was the first fiscal year for the three-year mid-term business plan, we saw a decrease in shipments especially in the Ductile Iron Pipe Division and the Plastic Products Division, which manufacture products mostly for the government sector. This was attributed to increased installation costs because of the nationwide shortage of engineers and site workers, which led to a decrease in the order quantity of small diameter ductile iron pipes for water supply systems mainly in local cities and pipelines for agricultural water supply.

As a result, while the planned values were sales of 105.0 billion yen and operating income of 4.0 billion yen, the actual results were sales of 101.9 billion yen and operating income of 3.3 billion yen.

## Review of the plan to cope with environmental changes

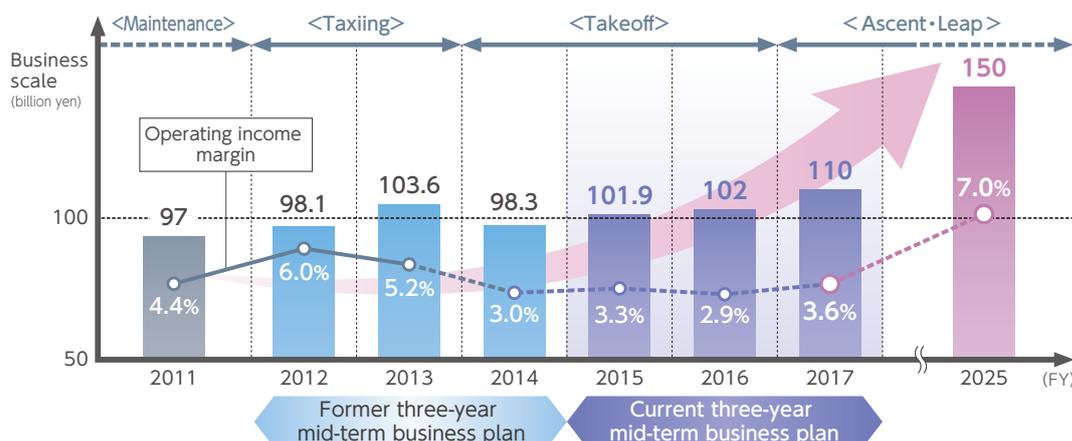
We revised the planned values based on the business environment and performance in fiscal 2015 as well as re-assessment of the environmental changes anticipated in the future.

As a result, sales growth is forecast to be slower than expected in the initial plan due to the need of time to restore the order quantity of products for the government sector, along with the impact of the slowdown of economic growth in China and other emerging countries as well as in Japan. It is also estimated that the profitability will remain unchanged as the production volume is likely to be lower than initially expected.

We will surely achieve the targets in the revised plan with the concerted efforts of the entire company to improve productivity and increase added value.

(consolidated)	Initial plan			Revised plan		
	FY2015	FY2016	FY2017	FY2015 (actual results)	FY2016	FY2017
Net sales	105 billion yen	115 billion yen	120 billion yen	101.9 billion yen	102 billion yen	110 billion yen
Operating income	4 billion yen	6 billion yen	8 billion yen	3.3 billion yen	3 billion yen	4 billion yen
Capital-to-asset ratio	over 38%	over 40%	over 42%	38.8%	over 40%	over 42%
ROE	5.0% or more	6.0% or more	8.0% or more	4.5%	5.0% or more	6.0% or more

## Significance of the three-year mid-term business plan



# Compliance / Risk Management

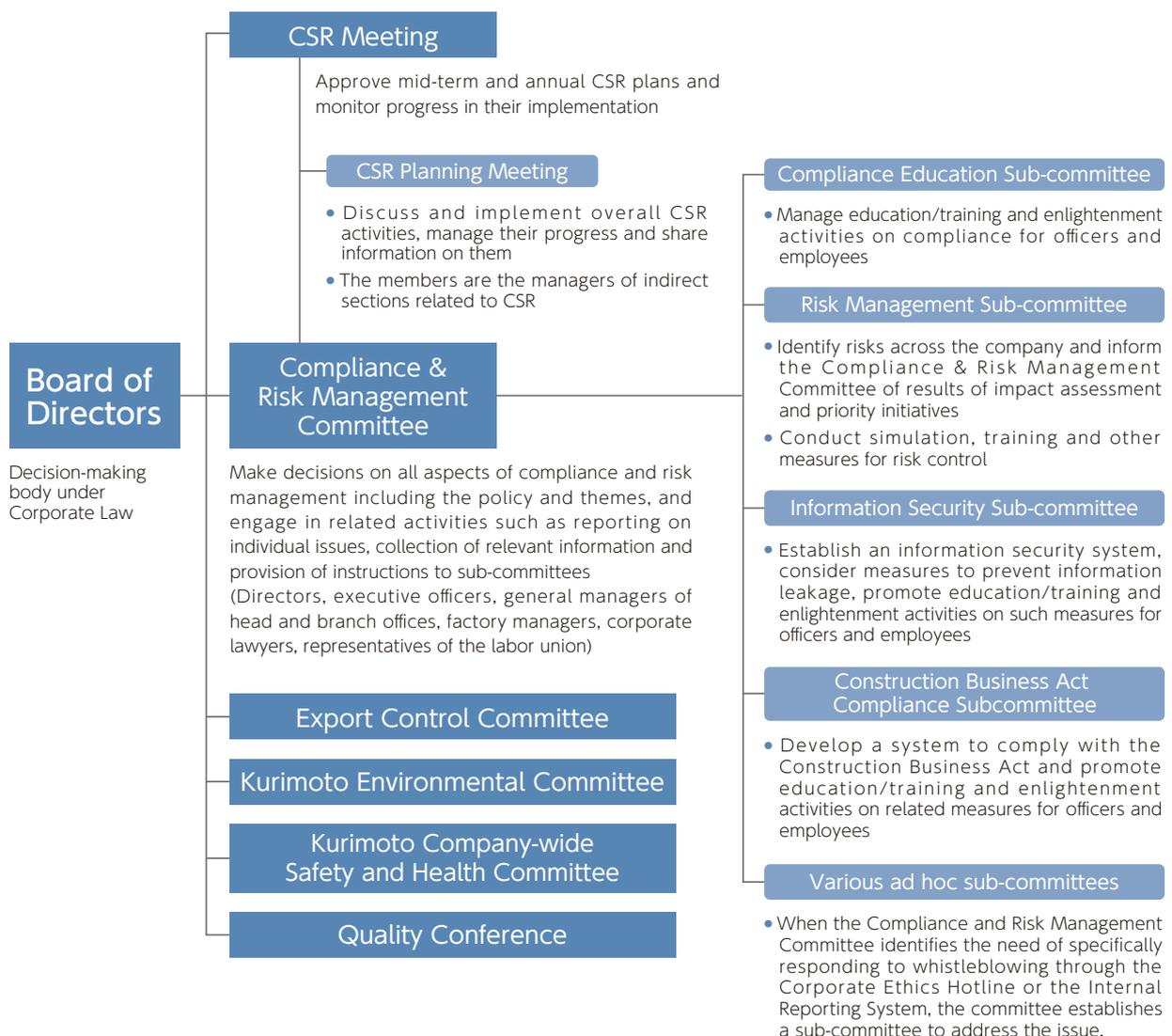
We have set up the Compliance and Risk Management Committee, which is chaired by the President, and promote its activities across the company.

## Compliance and Risk Management System

To maintain a system for compliance and risk management that underlies our CSR management, and to promote the activities, we have established the Compliance and Risk Management Committee. Chaired by the President, this committee makes decisions on all aspects of compliance and risk management including the policy and themes, and engages in related activities such as reporting on individual issues, collection of relevant information and provision of

instructions to sub-committees. The committee consists of directors, executive officers, general managers of head and branch offices and factory managers, as well as labor union representatives and corporate lawyers, and holds a meeting every month. Four full-time sub-committees have been formed in the committee, and are in charge of planning and management of specific activities related to issues such as compliance education and risk management.

### Organization Chart of the Compliance and Risk Management System



## Compliance with Laws and Corporate Ethics

Kurimoto establishes the Corporate Standards of Conduct, and promotes business activities in a way to always comply with relevant laws and corporate ethics and win the trust society in a fair fashion.

### 【Corporate Standards of Conduct (excerpt)】

#### 1. Behavior that gains the trust of society

With awareness that a company is a public entity of society and that trust is the foundation of a company, we seek to comply with relevant laws in any business activities, always act in a fair manner in accordance with corporate ethics and exist as a healthy company that is trusted by society.

#### 2. Thorough dissemination of relevant laws and corporate ethics

We aim to constantly collect and understand information on relevant laws in Japan and other countries necessary for our business activities, and to make our employees thoroughly aware of compliance and ethics.

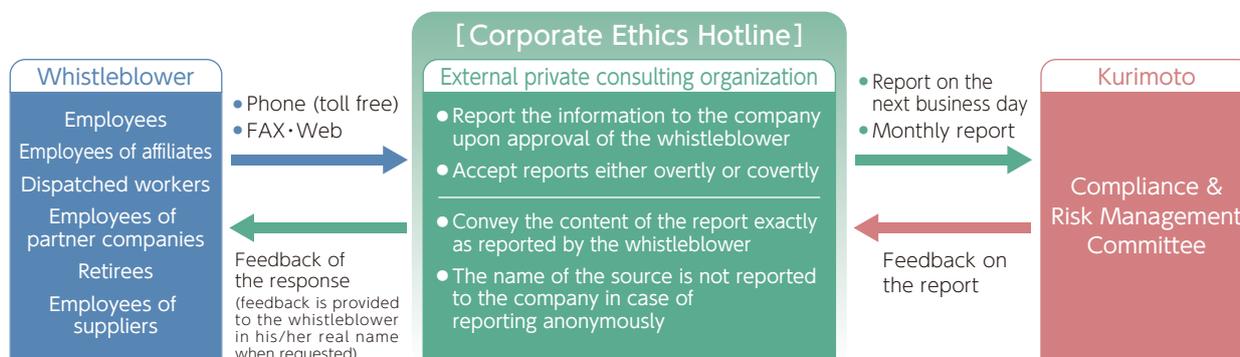
We encourage our employees to report any concerns about violation of laws or corporate ethics in business operations, to their superiors or to relevant sections for consultation, and we will act in a lawful manner based on common sense.

In the event of any violations of laws, we will promptly identify the causes and take corrective measures to prevent recurrence.

## Corporate Ethics Hotline

To promote compliance with laws and corporate ethics, we set up a Corporate Ethics Hotline in a neutral private organization outside the company in March 2004. If there is any injustice, misconduct or crime, or suspicion of such, in the company, the information can be reported through the hotline, even anonymously. The phone line is open from 12

noon to 9 p.m. on weekdays and from 9 a.m. to 5 p.m. on Saturdays, Sundays and public holidays. Reporting via fax or website is also available 24 hours, 365 days. The whistleblower will not be subject to any disadvantage for having used the hotline.



## Internal Reporting System

We have a system that allows a whistleblower to directly inform the Compliance & Risk Management Committee of any illegal, dishonest or anti-social act, or suspicion of such, via the intranet or in writing. The personal information of

the whistleblower is protected to ensure that he/she is not treated unfairly by the company. We have a mechanism to collect necessary information from the related sections in a prompt manner based on the relevant regulations.

## Compliance Day

We have designated February 4 and May 23 as Compliance Days; these are the days on which the Fair Trade Commission filed a criminal complaint against Kurimoto for violation of the antimonopoly law. To prevent recurrence of

such misconduct, we have set up a Compliance Emphasis Week, which includes either of the two dates, to provide training to raise awareness of legal compliance across the company.

# Corporate Governance

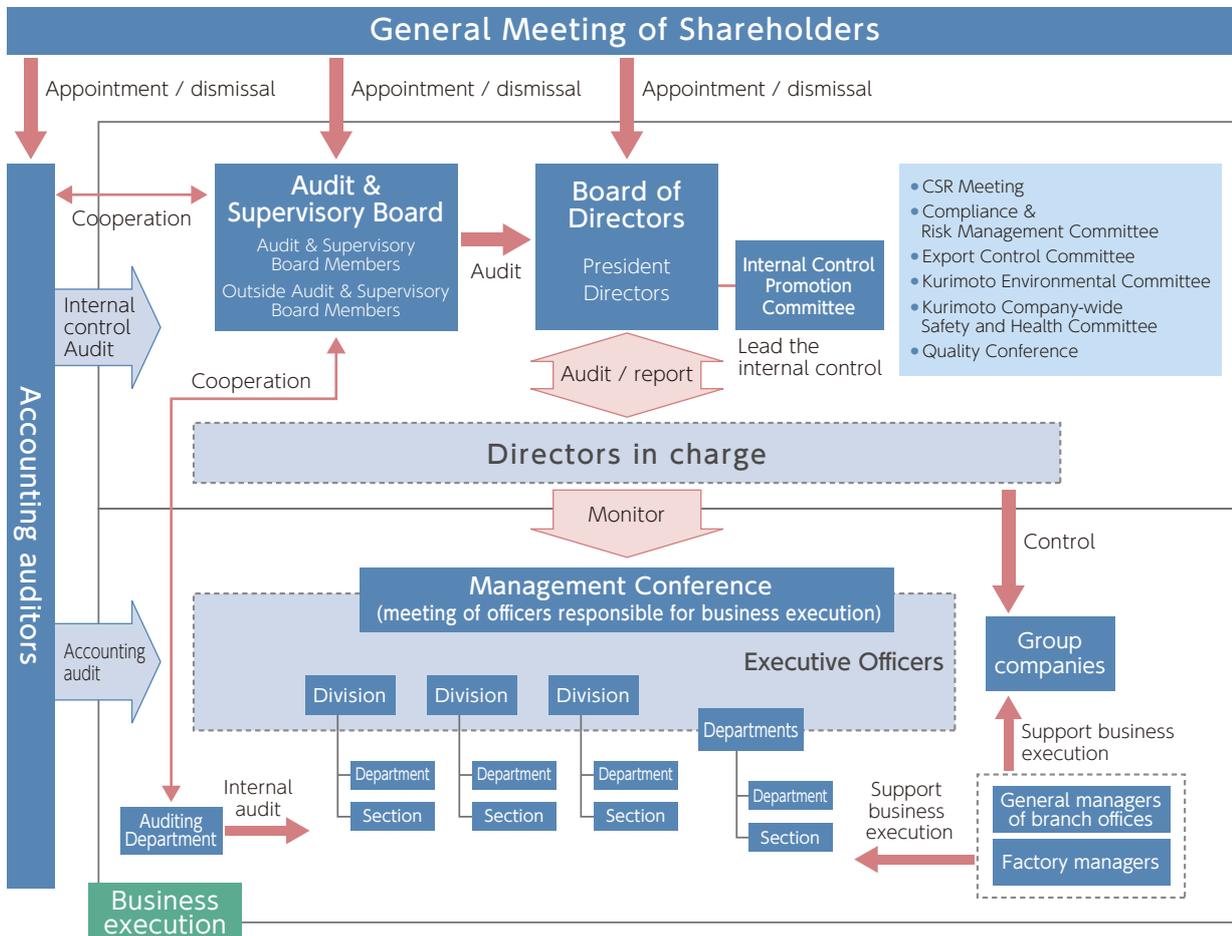
We are enhancing the system to promote corporate governance mainly through the following procedures: the establishment of Management Conference, which complements the Board of Directors; transfer of part of the authority for business execution to executive officers; and the activities of the Audit & Supervisory Board.

## Corporate Governance System

We adopt a corporate governance system based on the execution of duties by a Board of Directors composed of seven directors including one outside director as the supreme decision-making and supervisory body. In addition, the Management Conference has been established with the President and other executives as the members to complement the functions of the Board of Directors such as sharing of management information of Kurimoto and other Group companies and progress management, and to facilitate speedy decision making and flexible and efficient business execution. We have also introduced an executive officer system to transfer part of the authority for business execution, which is a function of directors, to executive officers to relatively enhance the management and supervisory function of directors.

We have in place the Audit & Supervisory Board as a corporate auditing organization. The board is currently composed of four audit & supervisory board members including two outside audit & supervisory board members. The audit & supervisory board members attend regular meetings of the Board of Directors, which are held on a monthly basis, extraordinary meetings of the Board of Directors and other important meetings to check the operation of the internal control and business execution, and state views to the Board of Directors when necessary to audit business execution of directors. In addition, the Auditing Department has been founded as an internal auditing section independent from the business execution sections to audit the business processes of the divisions and assess and verify their appropriateness.

### Organizational Chart of the Corporate Governance System



## Internal Control System

We seek to maintain and update the internal control system by formulating Corporate Standards of Conduct and Basic Policy for Establishment of the Internal Control System as the basic guidelines, and by implementing healthy and transparent management and enhancing internal audits and auditor's audits in accordance with the Regulations of the Board of Directors, Rules for Organization, Basic Rules on Risk Management, Rules on Compliance and Risk Management, Rules on Information Security Management and other regulations.

In addition, the Internal Control Promotion Committee has been established as a permanent organization to respond to the internal control reporting system based on the Financial Instruments and Exchange Act, which focuses on ensuring the appropriateness of

financial reporting. This committee is also responsible for leading the internal control in the Kurimoto Group as a whole, and promotes improvement of the internal management system to prevent violation of laws and accounting errors and irregularities in a continuous manner.

As a specific initiative for the establishment of the internal control system, we are committed to enhancing the corporate governance system through the setup of the Compliance & Risk Management Committee chaired by the President and through other initiatives in order to cultivate a compliance-oriented corporate culture in which we not only comply with relevant laws but also act in accordance with social norms.

### Corporate Standards of Conduct

The Corporate Standards of conduct provide the basic approach that should be followed in various situations when the Kurimoto Group practices its corporate philosophy. They consist of standards of conduct on business activities, which specify basic policy on research and development, procurement, production, marketing, information activities, compliance with laws and corporate ethics and financial reporting, as well as standards of conduct on the company's relationships with society and individuals, which give guidance on the conservation of the global environment, social contribution activities, overseas business activities and international contribution, response to anti-social forces, improvement of welfare, and respect for individuality and private acts. The Corporate Standards of Conduct are applied to all officers and employees (including full-time workers, contract workers and dispatched workers), and also serve as a basis for the internal control system that regulates the activities of the whole Kurimoto Group.

### Information Security Basic Policy

#### 1. Establishment of an information security management system

We set up a task force for information security management in the Compliance & Risk Management Committee to properly manage information assets in an integrated manner.

#### 2. Protection of information assets

We take appropriate information security measures to carefully safeguard information assets against unauthorized access, leakage, alteration, loss, theft, accidents/disasters and obstruction.

#### 3. Assessment of information security

We periodically assess the effectiveness of our information security measures and enhance the measures when necessary.

#### 4. Business continuity management

We adopt emergency measures to respond to any accidents and disasters that interrupt our business continuity and take measures to continue our business operations without delay.

#### 5. Internal audit

We conduct internal audits on a regular basis to verify compliance with the Information Security Basic Policy and relevant laws, rules and agreements.

#### 6. Duties of officers and employees

Our officers and employees comply with the Information Security Basic Policy and relevant laws, rules and agreements. Any person who violates any of these will be subjected to punishment based on relevant laws and working rules.

#### 7. Education and enlightenment

We provide necessary education and enlightenment to our officers and employees so that they deepen their understanding of the Information Security Basic Policy and relevant laws, rules and agreements and comply with them.

### Basic Policy on Financial Reporting

Considering compliance-oriented business management, we have developed and are operating the necessary internal control system for sustaining and enhancing social credibility in order to ensure reliability and appropriateness in our financial reporting.

#### 1. Proper accounting procedures based on the internal control system, and preparation of reliable financial reports

We are aware that a person's error means the company's error in financial reporting, which is linked with all business activities. With such recognition, we ensure visualization, monitoring and maintenance of records on a wide range of business processes including the upstream business activities (procurement, production, marketing, etc.) while performing proper accounting procedures and preparing reliable financial reports.

#### 2. Efforts to develop and improve the internal control system

To increase the efficiency and effectiveness of business operations, we avoid prejudice and inaccurate assumptions, promote visualization and standardization of business processes, and develop and improve the internal control system to establish more efficient business procedures.

#### 3. Financial reporting activities in compliance with laws and corporate ethics

By establishing an internal control system specified in relevant laws and regulations, we recognize the importance of business processes in accordance with written procedures, manuals, etc., and perform financial reporting activities under a strict control to ensure that they follow laws, standards and codes of conduct.

### Personal Information Protection Policy

#### 1. Acquisition of personal information and the purpose of use

When obtaining personal information, we identify the purpose of use and inform the purpose to the person who provides the information or announce it publicly. This personal information will not be used for any other purpose.

#### 2. Supply of personal information to third parties

The personal information we have obtained will not be supplied to any third parties without prior consent unless otherwise announced in advance.

#### 3. Security management of personal information

We will manage appropriately the personal information we have obtained, to avoid any loss or damage, in accordance with the personal information management rules and other relevant internal rules and standards. We take stringent security measures to prevent leakage to third parties or alteration from outside.

#### 4. Correction or other treatment of personal information

If we receive a request from the information provider for correction or other treatment of personal information, we will process it in accordance with the Personal Information Protection Act.

# Board of Directors

(as of July 1, 2016)

## Directors

Chairman	Hideaki Fukui	
President	Moriyoshi Kushida	
Senior Managing Director	Motohito Sawai	In charge of finance, internal control, auditing and affiliates
Managing Director	Hirobumi Okada	In charge of the machinery system business, equipment and development projects
Director	Yoshiaki Shingu	In charge of human resources, general affairs, safety and health, quality control and production, General Manager, Osaka Head Office
Director	Mikio Yaji	In charge of the pipe system business, the industrial materials business and legal affairs
Outside Director	Shigehiro Shibakawa	
Outside Director	Minoru Takahashi	

## Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Member	Toshitsugu Emura	
Full-Time Audit & Supervisory Board Member	Minoru Murata	
Outside Audit & Supervisory Board Member	Hideyo Akamatsu	(Part-time)
Outside Audit & Supervisory Board Member	Tomonori Kobayashi	(Part-time)

## Executive Officers

Managing Executive Officer	Mitsuo Amagaya	General Manager, Tokyo Office
Executive Officer	Naofumi Saito	General Manager, Plant Engineering & Machinery Division
Executive Officer	Kazutaka Kikumoto	General Manager, Plastic Products Division
Executive Officer	Shin Ikuta	Assistant General Manager, Plant Engineering & Machinery Division
Executive Officer	Shinya Kojima	General Manager, Materials & Machinery Division
Executive Officer	Takehisa Fukui	General Manager, Composite Project Division
Executive Officer	Hisato Sato	General Manager, Construction Materials Division
Executive Officer	Yukitaka Fujimoto	General Manager, Ductile Iron Pipe Division
Executive Officer	Takayuki Miyazaki	General Manager, Valve Division
Executive Officer	Yasuharu Yoshinaga	Assistant General Manager, Ductile Iron Pipe Division, General Manager, Production Headquarters, General Manager, Kagaya Factory and General Manager, Sakai Factory

## Quality Control

As a company that can contribute to society through manufacturing, we make continuous efforts to improve our quality management level in our business activities to provide various lines of products and services for creating infrastructure.

### Initiatives in Manufacturing

The Kurimoto Group makes all employees thoroughly aware of its policy of dedication to manufacturing, which is represented by the corporate message "Kurimoto - Manufacturing the future" as well as by the principle of giving top priority to safety and security, in order to achieve customer satisfaction.

#### Declaration of Quality Assurance Activities

In accordance with a principle in the Kurimoto Group's Corporate Philosophy, "We offer 'reassurance' in response to society and to our customer's trust," we aim for quality assurance from the perspective of customers and perform activities based on the quality assurance system established to meet the needs of the times as well as social demand.

#### Kurimoto Group Quality Policy

1. We provide products from the perspective of customers.
2. We provide customers with accurate and comprehensible information.
3. We listen sincerely to the precious opinions of customers.
4. We give top priority to safety.
5. We comply with laws.
6. Each and every employee of the Kurimoto Group makes best efforts to ensure quality.

### Quality Management System

- We work to improve mechanisms for quality control based on the quality management system to ensure that customers recognize safety and security of the Kurimoto brand.
- We work to obtain ISO 9001 certification on a Group-wide scale for reliable operation and maintenance of the quality management system.

#### ISO 9001 Certification Registrations in the Kurimoto Group

(as of March 31, 2016)

Registered organization	Date of registration	Registration No.	Main product lines
Kurimoto, Ltd. Ductile Iron Pipe Division	January 20, 1995	JQA-0766	Ductile iron pipes
Kurimoto, Ltd. Sumiyoshi Factory	May 17, 1996	JQA-1281	Powdering, kneading, drying and crushing systems, forging and bending roll systems, valves for industrial and public uses, various heat-resistant/wear-resistant metal castings
Kurimoto, Ltd. Plant System Engineering Division ※	March 13, 2015	JQA-QMA15184	Design, procurement, construction, commissioning, maintenance, and supply of parts for resource plants, power plants, energy plants and other similar plants
Kurimoto, Ltd. Construction Materials Division	September 30, 1996	JQA-1394	Light-weight spiral steel pipes, noise control equipment, reinforcing steel products
Kurimoto, Ltd. Plastic Products Division	May 28, 1999	JQA-QM3393	Fiber-reinforced plastic mortar pipes, various fiber-reinforced plastic moldings
Sasebo Metal, Co., Ltd.	March 25, 2003	JQ1258D	Molded parts
Motoyama Eng. Works, Ltd.	May 15, 1994	UKAS No.3449752	Control valves, safety valves, industrial equipment
KS-Tech Co., Ltd.	July 30, 2010	UKAS No.06546	Roll forging machines, cutting machines, forging machines, bending rolls

\* Integrated with the Plant Engineering & Machinery Division to form the Plant Engineering & Machinery Division on April 1, 2016.

# Quality Control and Improvement Activities with Participation of All Employees

## Quality assurance system

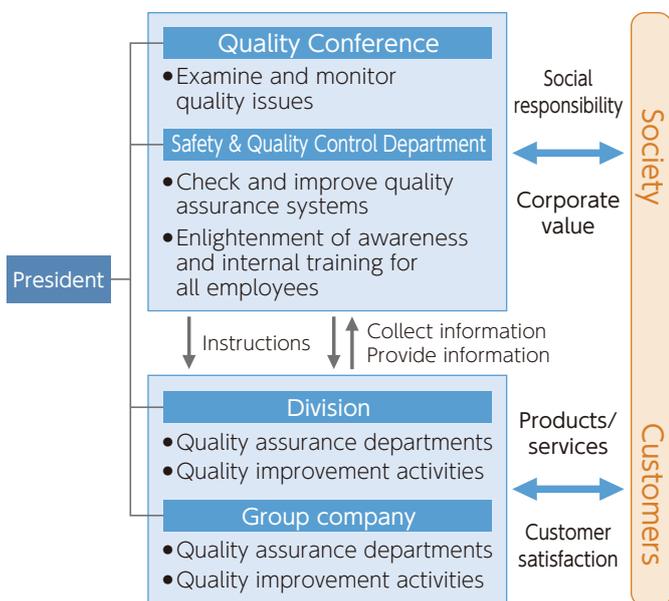
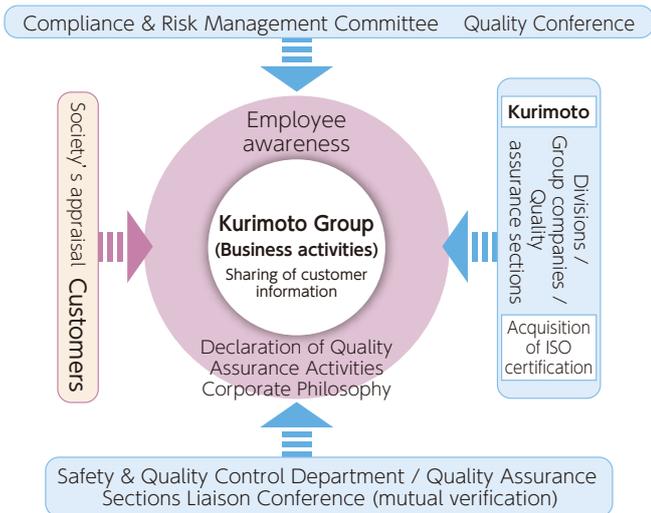
To respond to quality requirements based on existing and potential customer needs, the Kurimoto Group endeavors to enhance customer satisfaction by sincerely listening to valuable inputs from customers.

- At the Quality Conference, individual divisions are monitored from the managerial perspective, with respect to quality assurance that responds to trust from society and customers, and instructions for correction are rendered as necessary.
- The Safety & Quality Control Department checks and improves quality assurance systems in individual divisions, while collecting quality-related information and providing internal training based on the collected information.

We will further enhance our technical skills, which have been cultivated since our establishment, and improve our quality assurance system and activities to continuously contribute to society with our proprietary technologies, products and services.

### Business Review System That Meets the Needs of the Times and Society

As a company that meets the needs of the times and society

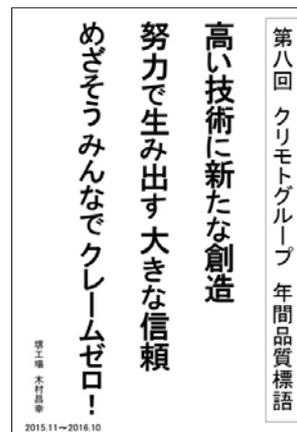


\* Quality Conference mainly comprised of directors and executive officers.

## Quality Improvement Emphasis Month

The Kurimoto Group has designated November as Quality Improvement Emphasis Month to promote various quality improvement activities with participation of all employees.

- Top management sends a "quality-related message" to all employees.
- Quality slogans for the Kurimoto Group are invited and posters are displayed to raise the awareness of participation.
- Daily operations are reviewed to intensively verify that customers receive accurate information on the products and services we provide for them.
- All employees participate in efforts to enhance and promote proposals for improvement.



Slogan (displayed from November 2015 to October 2016)



Poster (displayed in November 2015)

## Activities to Make Proposals for Improvement

Many proposals for improvement are submitted every year, leading to an enhanced sense of participation among employees and to improvement of the workplace.

	Number of employees	Annual number of proposals
Total	1,508	17,271



Poster (displayed in November 2015)

# With Suppliers

The Kurimoto Group places high value on relationships of trust with suppliers, and focuses on customer satisfaction and environmental conservation in its procurement activities.

## Basic Approach

The Kurimoto Group's business activities rely on cooperation and support of many companies and people including the suppliers that provide raw materials and parts necessary for production. With deep recognition of this fact, our Group places a high value on relationships of trust with suppliers and develops procurement activities in a way to work and flourish together.

We are fully conscious of quality and cost reduction, and also consider environmental issues such as prevention of pollution, resource saving and energy saving, in our procurement activities.

### Corporate Standards of Conduct [Procurement]

#### 1. Policy of "customer satisfaction comes first," and procurement in consideration of environmental conservation

In our procurement activities, we are always conscious of the principle in the Corporate Philosophy that we offer "total quality services" (combination of high value, high quality and high level services) to enhance trust, as well as the idea that environmental conservation is a social mission for companies.

#### 2. Fair, equitable and transparent procurement activities

We promote fair, equitable and transparent procurement activities in a rational manner in terms of quality, price, delivery period, safety and environmental conservation.

#### 3. Mutual prosperity based on trust and improvement efforts

In our procurement activities, we aim to realize mutual prosperity by placing high value on relationships of trust with suppliers and seeking long-term growth and maintenance and strengthening of competitiveness through high quality, thorough cost reduction and other efforts.

#### 4. Compliance with laws

We promote procurement activities in compliance with all relevant laws, including the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act) and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontractor Payment Act), as well as with their intent.

### Basic Procurement Policy

Philosophy	To purchase materials that satisfy our demand in terms of quality, cost and delivery time, we make efforts to build good relationships with suppliers and to pursue mutual prosperity through mutual trust and cooperation.
Fairness and equity	We make decisions on adoption of materials based on fair and equitable assessment of quality, delivery time, prices and services.
Open door	We open the door wide for suppliers in Japan and overseas and work to seek new suppliers on a continuous basis.
Green procurement	We make efforts to procure environmentally-friendly parts and products.

## Compliance with the Subcontractor Payment Act

To ensure dissemination of, and compliance with, Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontractor Payment Act), the Kurimoto Group has prepared a compliance manual on transactions with subcontractors. A briefing session to study the Subcontractor Payment Act is held at each worksite during the Compliance Emphasis Week, and seminars by external lecturers are also organized, to enhance understanding of the manual.

## Response to Anti-social Forces

Anti-social forces pose a threat to the order and safety of civil society and obstruct economic activities, and the activities of

these forces are becoming increasingly intellectual and sophisticated.

The Kurimoto Group declares in the Corporate Standards of Conduct that it is aware of social responsibility in responding to anti-social forces and will take the initiative to strictly forbid submission to, or collusion with, such forces and maintain a resolute attitude to eliminate them.

We will cooperate closely with relevant administrative bodies to develop an organization to respond to anti-social forces. It is necessary to consider this issue not as a passive risk, but as a serious issue concerning compliance, and to establish procedures to solve it on an organizational scale. We will also develop systems for responding to anti-social forces and ensure related contractual provisions, so that persons in charge can respond to such forces with confidence.

# With Shareholders/Investors

We are committed to timely and appropriate information disclosure in order to gain stable long-term trust and support from shareholders and investors.

## Transparent Business Management

Kurimoto believes that timely and appropriate disclosure of information to shareholders and investors leads to their long-term and stable trust and support. We transmit information on business activities and make efforts to maintain good relationships with society in order to promote the growth of the company and to contribute to society.

## Communication with Shareholders and Investors

We visit institutional investors and security analysts in an effort to transmit information on our business activities. IR materials such as earnings briefings, securities reports and annual reports are available on our website so that the information is provided in a timely and appropriate manner. Annual reports and interim reports are also delivered to shareholders.

We consider that general meetings of shareholders offer significant opportunities to our management personnel to have communication with shareholders. In the annual meetings, the President himself explains our management policy and corporate activities to shareholders in an easy-to-understand way.

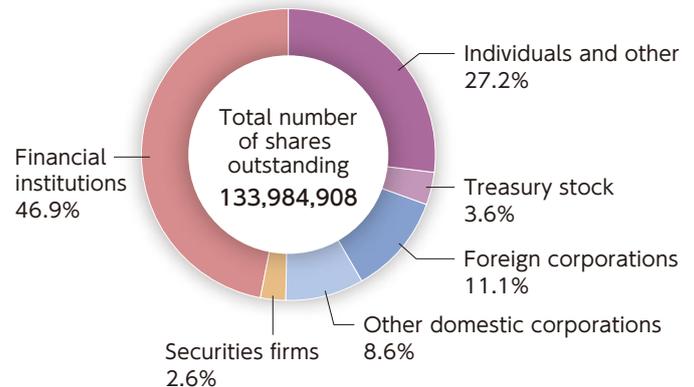
## Data on Shareholders

The total number of shares outstanding as of the end of March 2016 is 133,984,908. The breakdown of the shareholders is presented below.

### ■ Composition of Shareholders and Their Shareholding Ratio

Category	Ratio (%)
Individuals and other	27.2
Treasury stock	3.6
Foreign corporations	11.1
Other domestic corporations	8.6
Securities firms	2.6
Financial institutions	46.9

(as of the end of March 2016)



## Notice of a change in the share trading unit and consolidation of shares

The Japanese stock exchanges aim to consolidate the trading units for common shares of domestic listed companies into 100 shares in the "Action Plan for Consolidating Trading Units," and set the deadline for the transition to be October 2018. As a company listed on the Tokyo Stock Exchange, Kurimoto respects this intention and has decided to change the trading unit for its shares from the current unit of 1,000 shares to 100 shares, and also to conduct a common share consolidation (consolidation of 10 shares into one share) in order to maintain the level of the investment unit preferred by the stock exchanges for Kurimoto's shares (50,000 yen or more and less than 500,000 yen). They will enter into force on October 1, 2016.

Although the consolidation of shares reduces the total number of issued shares to one tenth, there will be no change in net assets, etc. and the net asset value per share will accordingly increase tenfold. Except fluctuations in the stock market and other factors, the shareholder's asset value will not be affected.

If any fractional shares arise as a result of the consolidation of shares, we will dispose of all such fractional shares and distribute the proceeds to shareholders having fractional shares in proportion to their respective fractions in accordance with the provisions of the Companies Act. Shareholders can avoid disposal of fractional shares by taking the procedures of "sale of shares less than one share unit" or "purchase of shares to complete share unit" before the consolidation of shares. For specific procedures, please inquire with your securities company or the shareholder registry administrator mentioned later.

## With Local Community/Society

The Kurimoto Group conducts community-based contribution activities in many parts of the world in order to fulfill in various ways the principle in the Corporate Philosophy "We respect and value Earth, its water, air and life, and we will protect social infrastructure."

### Co-existence with Local Communities

#### Participation in the Hirose River 10,000 People Project - Hirose River Cleanup Campaign

The Tohoku Office participates in the Hirose River 10,000 People Project - Hirose River Cleanup Campaign as part of its social contribution activities. In the 19th cleanup event, we cleaned an area around Yodomi Bridge (about 600 m long along the river), which is located west of the center of Sendai City. Although there were not many large pieces of garbage, we found lots of small ones such as debris of bottles and aluminum can tabs by searching garbage carefully, which made us feel rewarded. We will continuously participate in the project.



#### Participation in the Yamato River and Ishi River Cleanup Campaign

Every year, employees and their family members, as well as retirees, from the Kurimoto Group participate in this Yamato River and Ishi River Cleanup Campaign, which is the largest joint cleanup event in Osaka Prefecture. While only two people participated in the first campaign (in 1999), the number of participants increased as we continued this initiative, and approximately 150 people joined this year's event. We worked with local residents and successfully removed garbage of various sizes ranging from plastic bottles, empty cans and other recyclable trash to bulky waste such as bicycles, again in the campaign. We will continue to be a part of the campaign and make our best to help improve the water quality in Yamato River.



#### Sale of hand-made bread and cookies at Head Office and factories in Osaka

In Osaka Prefecture, many people with disabilities work at welfare facilities but receive very low wages. The prefectural government has formulated a plan to double wages to improve the situation. In this context, Kurimoto's Head Office and factories in Osaka Prefecture support the activities of such welfare facilities to sell bread and cookies once a month as part of our CSR efforts. The bread and cookies are so popular that they are often completely sold out at some of the worksites.



### Presentation at Exhibitions in Japan and Overseas

Our divisions and Group companies operated booths at various exhibitions held in Japan and other countries and introduced new technologies and products of the Kurimoto Group to many visitors. (Some of the exhibitions are listed below.)

▶ April 8 to 10, 2015

4th PLASTIC Japan - Highly-functional Plastic Expo

▶ June 15 to 19, 2015

[ACHEMA 2015]

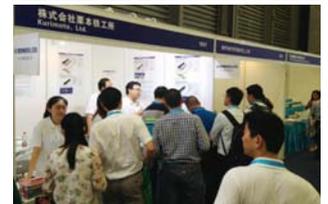
We participated in the world's largest exhibition on chemical engineering held in Frankfurt, Germany. In the lecture meeting, we presented our KRC Hybrid Reactor.



▶ July 7 to 9, 2015

The 9th China High-performance Film Technology Expo 2015 in Shanghai

We exhibited a high-performance film winding FRP core, and actively promoted the product to meet the increasing demand for FRP core in China.



▶ July 15 to 18, 2015

MF-Tokyo 2015 Metal Forming & Fabricating Fair Tokyo

▶ July 28 to 31, 2015

Sewage Works Exhibition '15 Tokyo

We had a booth in the pipeline material and equipment zone, and exhibited products and panels of the Ductile Iron Pipe, Plastic Products and Valve Divisions. The total number of visitors during the exhibition period was 92,291, which was the highest in the past 10 years.



▶ September 16 to 19, 2015

Metal Form China 2015 in Shanghai

We participated in the exhibition on forging, pressing and plating, which was held in the Shanghai World Expo Exhibition & Convention Center, and promoted the "C2F series," our main press products, along with our new models, the "C2P series."



▶ October 14 to 16, 2015

POWTEX OSAKA 2015

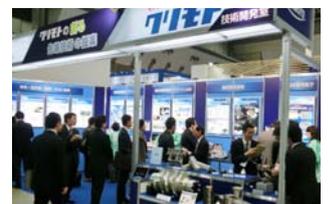
▶ October 21, 2015

The 49th Saitama Water Supply Exhibition

▶ November 25 to 27, 2015

INCHEM TOKYO 2015

We participated in INCHEM TOKYO 2015, a comprehensive exhibition in the chemical industry, and made presentations under the themes of "process technology" and "functional materials."



▶ January 14 to 16, 2016

Automotive World, 6th Automotive Lightweight Technology Expo

# ○ Fair Personnel Management, Support for Capacity Building

Based on the concept that people are the most important assets for companies, the Kurimoto Group seeks to maximize the contribution of each employee to its business management and takes measures that respect their diversity and individuality.

## Basic HR Policy

For the Kurimoto Group to achieve sustainable growth, we believe that it is important to maximize the abilities and motivation of human resources, "people" who grow and upgrade their own value. In accordance with the basic policy on human resources shown on the right, various personnel systems and programs are operated to help all employees feel proud and motivated to work and to achieve self-fulfillment through their work.

### 1. Recruitment of "people" who fit the management strategy

We work to actively recruit human resources with the skills and experience needed for the realization of our business and management strategy on a timely basis.

### 2. Development of "people" who reform the management culture

We work to vitalize our people and organizations through various personnel programs that motivate employees and help them demonstrate their best performance, and to develop a lively corporate culture with focus on "reform, challenge and creation."

### 3. Cultivation of "people" who reform their mindsets and behaviors

We work to cultivate human resources and encourage them to work autonomously so that they can develop themselves to contribute to their organizations.

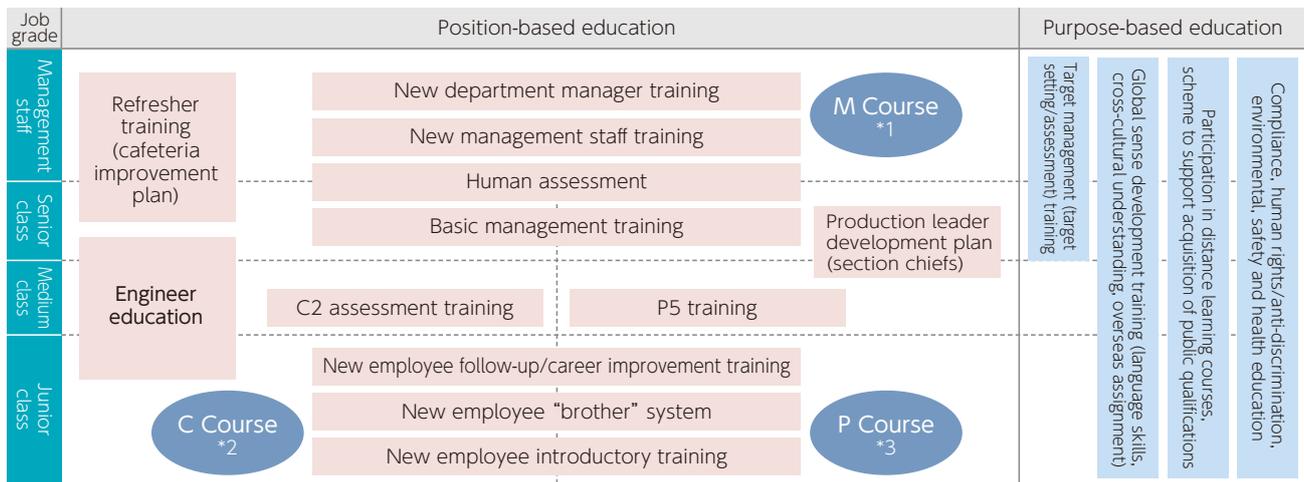
## Support for Capacity Building toward Self-fulfillment

The basic image of human resources that Kurimoto seeks is that of those who are always aware of problems and who proactively take the initiative to solve challenges in their workplace. We have established basic policy on education, and assist employees in building capacity so that they can realize self-fulfillment through development of their career in terms of professional skills and positions. The training courses provided for them are tailored to their respective work approach and expected roles.

### Basic Education Policy

1. We will produce value-added products through capacity building of employees in order to seek improvement and expansion of business performance and to make social contribution.
2. We assist employees in capacity building for self-fulfillment and aim to help them foster a rich humanity that is able to make social contribution both as business persons and as members of society.

### Education System Diagram



\*1: M Course (management course) \*2: C Course (creative course) \*3: P Course (professional course)

## HR rotation system (C Course, medium class)

We have operated an HR rotation system mainly for medium class employees in the C Course (clerical and technical positions) since April 2015. The HR rotation system has three objectives, namely (1) Identification of the right jobs for the right persons and development of human resources, (2) Vitalization of organizations and (3) Creation of added value and innovation. This system will help the employees find new aspects of

themselves through experience in different jobs and organizations. We also believe that when employees with various backgrounds gather in an organization, they learn diverse viewpoints and values from each other through discussions and stimulate each other to vitalize the organization, and this will lead to business creation and the improvement of added value.

# Work Environment

The Kurimoto Group values diversity of human resources in the workplace, and aims to create a work environment where employees can perform according to their respective abilities and aptitudes with a sense of security.

## Respect for Diversity

### Respect for human rights

Based on the concept that respect for human rights is the very foundation on which a company exists in society, Kurimoto is committed to a wide range of human rights enlightenment activities so that all employees can properly understand human rights and anti-discrimination issues and recognize the nature of discrimination to enhance their awareness of human rights. We promote such activities extensively both inside and outside the company, including organizing job-position-specific workshops concerning these issues, encouraging employees to attend relevant outside seminars and periodically supplying human rights-related information, as well as becoming a member of the Osaka Municipal Council for the Promotion of Corporate Human Rights and the Corporate Federation for Dowa and Human Rights Issue, Osaka. In March 2016, we organized training sessions under the theme of "To create a work environment with no harassment," which dealt with comprehensive issues including the current status of harassment, how harassment occurs, legal responsibility and preventive measures, and also considered support of female workers to play more active roles.



Human rights and anti-discrimination workshop for officers and management staff

### Promotion of employment of senior workers

Kurimoto introduced a re-employment scheme in April 2006 to continuously retain all employees who have reached retirement age but who wish to continue working until the age of 65 as a general rule. The applicants can flexibly select the work style that fits their individual lifestyle, such as full-time work or a more relaxed work style (working on half-day or alternate-day basis). We offer various programs and work conditions to encourage senior workers to aggressively use their skills and know-how even after reaching retirement age, including a system to reflect their performance on their retirement benefits.

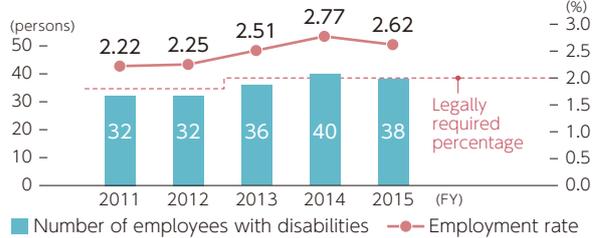
#### Number of Re-employed Workers and Re-employment Rate by Year



### Promotion of employment of people with disabilities

The Kurimoto Group continues to make various efforts to create a comfortable work environment for people with disabilities and to adapt the workplace to accommodate their needs.

#### Employment of People with Disabilities by Year (Kurimoto)



\* As of June 1 every year (according to the annual report on the employment of people with disabilities)  
\* Employing one person with severe disabilities is considered the same as employing two persons with disabilities.

### Promotion of measures to support female workers to play more active roles

We have formulated the action plan below to develop a work environment where female workers can play more active roles.

#### Action plan based on the Act to Advance Women's Success in their Working Life

(2 years from April 1, 2016 to March 31, 2018)

- Among the new employees hired at the time of regular employment for the Creative Course (main career track in clerical and technical positions), increase the ratio of female workers in clerical positions to 40% and the ratio of female workers in technical positions to 20%.

We will promote various initiatives concerning recruitment, staffing, training, etc., to support female workers to play more active roles.

### Promotion of support for balancing work and life

Kurimoto aims to help employees balance work and life and keep working lively. Our initiatives to promote work-life balance include establishment of a general business owner action plan based on the Next Generation Nurturing Support Measures Promotion Law, as well as development and improvement of programs to allow employees to take childcare and nursing care leave and reduce their working hours to devote more time for childcare.

#### Action plan based on the Next Generation Nurturing Support Measures Promotion Law

(Three years, from April 1, 2015 to March 31, 2018)

- Identify the achievements of initiatives aimed at promoting child rearing combined with work life (e.g. use of the next generation nurturing support system), and take necessary measures.
- Take measures to encourage employees to use up their paid leave.

In recognition of our efforts to support development of the next generation based on our previous action plan, the Ministry of Health, Labour and Welfare certified Kurimoto as a company that supports child rearing, and granted the next generation accreditation mark, "KURUMIN," for the second time in 2015.



#### Use of Childcare-related Programs (FY2011 to 2015)

Proportion of female workers who took childcare leave	100%
Number of male workers who took childcare leave	5 persons
Number of workers who reduced working hours for childcare	22 persons
Number of days off taken for nursing care	63 days

# Safety and Health

The Kurimoto Group actively develops safety and health activities with the involvement of partner companies to attain the goal of zero occupational accident and zero occupational illness.

## Progress in Safety and Health Activities

Since 1962, the Kurimoto Company-wide Safety and Health Committee has held meetings with the participation of the whole Kurimoto Group, including partner companies, to meet the target of zero occupational accident and zero occupational illness. Our safety initiatives include thorough implementation of fundamental activities such as risk assessment, risk prediction, and pointing and calling. We also address health-related issues such as prevention of lifestyle-related diseases, avoidance of overwork and strengthening of support for mental health, through organization of workshops, consultations with industrial physicians and stress check in a planned manner.

## Kurimoto's Company-wide Target and Basic Policy for Safety and Health in FY2015

**Target :** Zero occupational accident and zero occupational illness

### Basic Policy

1. We return to the origin that safety should be put before everything else, and everyone from top management to each employee acts with the top priority on safety.
2. We aim to establish workplace groups of people who individually understand and comply with the determined rules and always follow the basics in their operations.
3. We help each employee to grow, and work to create a comfortable work environment as well as a corporate culture that focuses on safety and health with the participation of all employees.
4. We improve safety and health activities in a continuous manner to secure the safety and health of all people involved in the business activities of the Kurimoto Group, and to contribute to the realization of a safe, secure and comfortable society.

## Results of Health and Safety Activities

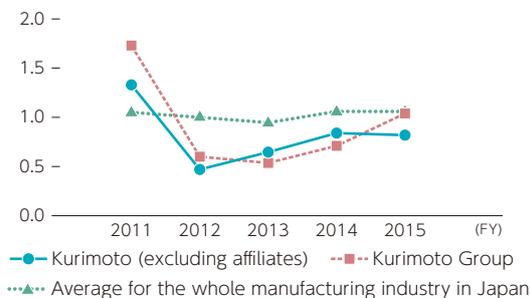
The Kurimoto Group follows the PDCA cycle of safety activities by ensuring, in case of an occupational accident, that the cause is ascertained and that measures are taken to prevent recurrence, in order to eliminate occupational accidents.

### Occupational accident data

#### Number of occupational accidents (Including accidents with no lost workdays)



#### Frequency Rate



	2011	2012	2013	2014	2015
Kurimoto (excluding affiliates)	1.33	0.47	0.64	0.84	0.82
Kurimoto Group	1.73	0.60	0.54	0.71	1.04
Average for the whole manufacturing industry in Japan	1.05	1.00	0.94	1.06	1.06

Frequency rate is the number of injury accidents per million work hours, and indicates the frequency of accidents that cause a worker to miss one or more days of work.

Frequency rate =  
 number of injury accidents / total working hours x 1,000,000

## Safety and Health Initiatives

### Simulated Hazard Experience Training Hall

We established a simulated hazard experience training hall in Kagaya Factory in fiscal 2015.

Through simulated hazard experience training, participants experience simulated hazards that lurk in work operations, using simulated hazard experience equipment that help them physically recognize the pain and suffer that may result from an accident in actual operations.

The simulated hazard experience training hall is equipped with various training machines that can simulate roughly 20 types of hazards, including getting pinched, getting body or fingers caught in machinery and crashes, to allow trainees to learn about them. We referred to past accidents and similar equipment at other companies, and also added some unique ideas of Kurimoto for the machinery.

More than 150 people have already taken lessons in the simulated hazard experience training hall. In the future, we will further improve the facilities to create safe and secure workplaces, hoping to help the Kurimoto Group meet the target of eliminating occupational accidents.



Simulated Hazard Experience Training Hall

### Accident Calendars

As a part of efforts to prevent occupational accidents, we have begun an initiative to make accident calendars listing occupational accidents in each factory and presenting them at TBMs, for the purpose of not forgetting about past accidents, and repeatedly refreshing and elevating safety recognition among employees.



Accident Calendars

### Risk assessment

We assess the risks of potential danger or hazards in the workplace by evaluating the possibilities and seriousness of the occurrence of occupational accidents in production and construction sites, and develop activities to eliminate or mitigate such risks.

### “Safety Declaration” campaign

At Kurimoto, the safety declaration of the leader of each production/construction site is displayed in the worksite to prevent occupational accidents. In the future, we will work to encourage each member of the production staff, including line leaders, to enhance their awareness of safety as well as their sensitivity to risks.



### Safety and health education

Safety and health education is provided for workers to gain the knowledge about safety and health necessary for their operations in order to ensure that they can work in a safe and healthy manner at the workplace. The education program, whose schedule and curriculum are determined appropriately according to the responsibility levels of workers, is conducted in a planned manner.

#### ■ Worksite in Conformity with the Occupational Health and Safety Management System

Kurimoto's Kagaya Factory	JQA-OH0025
	Certification obtained on March 15, 2002 (OHSAS 18001)

### Prevention of health problems due to overwork

Working hours are closely related to health maintenance and to worker motivation. Companies are strongly encouraged to take voluntary measures to improve working hours such as appropriate working hours management, prevention of health problems due to overwork and reduction of working hours (improvement of work-life balance). Kurimoto established central (company-wide) and local (worksite) committees for working hours management in 2008 to restrict long working hours, conduct proper labor management, and secure the health of those who are overworked. The committees aim to meet such targets as “reduction of overtime,” “securing of days off” and “increase in the number of paid holidays taken by employees,” and have achieved a certain level of success.

We also direct employees who have worked overtime beyond a certain amount to consult with industrial physicians, and seek to reduce overtime through cooperation between management and union.

### Regular medical checkup

We have a system in which occupational physicians and public health nurses provide healthcare guidance for employees who are diagnosed with abnormalities during their regular medical checkup.

In fiscal 2015, employees with such findings accounted for 58.1% of all employees in the company, which was 2.5% higher than the previous fiscal year.

### Support for mental health

Various environmental changes in modern society increase stress in people's lives, leading to the growing importance of support for mental health of employees for sound business operations.

Kurimoto focuses on four types of care: self care, line care, care by industrial health staff in the worksite, and care using resources outside the worksite. Specifically, we organize support programs such as mental healthcare workshops, individual stress checks and a program to assist employees in resuming work, and also plan to develop a comprehensive mental health support system with help from external professional organizations.

# Environmental Management

We are committed to protecting the global environment, including the water, air and life of the Earth, in our manufacturing and other business activities.

## Kurimoto Basic Environmental Policy

To perform manufacturing and other business activities with focus on protecting the global environment, including the water, air and life of the Earth, we will make the following efforts:

1. Promotion of environmental management and continuous environmental conservation activities
2. Compliance with laws, regulations, agreements, action plans, etc. and elimination of environmental risks
3. Energy saving, resource saving, reduction of waste and recycling to promote reduction of environmental impact
4. Promotion of shifting to products with lower environmental impact and development of environmental conservation equipment
5. Environmental education and enlightenment of all employees
6. Promotion of participation in social contribution activities

(Established on June 2, 1998 and revised on September 25, 2007)

## Kurimoto Voluntary Environmental Action Plan

To help create a sustainable recycling-oriented society, we established Kurimoto Voluntary Environmental Action Plan in February 2000.

We have set action targets for the following four crucial challenges, and promote various activities at the worksites to meet them:

1. Measures to prevent global warming;
2. Introduction of a zero-emission plan;
3. Full utilization of technologies to reduce environmental impact and development of environmentally friendly equipment; and
4. Promotion of internal education and PR activities as an environmentally conscious company.

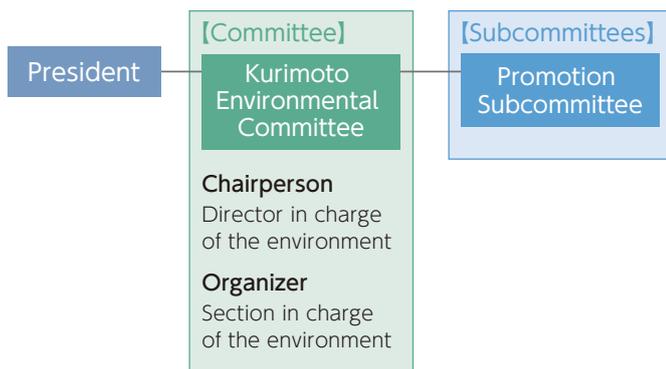
## Environmental Management Structure

### Kurimoto Environmental Committee

We regard consideration of the environment as a crucial management task in business activities, and accordingly founded in April 1998 the Kurimoto Environmental Committee chaired by the director in charge of the environment.

In accordance with Kurimoto Basic Environmental Policy, this committee cross-connects different divisions and worksites to effectively promote environmental conservation activities, reduce environmental impact and develop environmental conservation equipment to ensure that we can contribute to the establishment of a sustainable society.

As shown in the organizational chart below, the Environmental Committee, which serves as the consultative organization, sets up subcommittees as execution bodies that actively promote the voluntary environmental action plan.



Due to deterioration in global as well as local environmental issues of importance, such as global warming, depletion of resources and increase of waste, demand is growing for review of the economic structure based on mass production, mass consumption and mass disposal. Companies are also required to immediately reform their approach to environmental management and production activities in response to the review. In this context, Kurimoto has to further enhance harmony between its activities and the environment to help create a sustainable recycling-oriented society. For this purpose, it is crucial to actively promote voluntary initiatives such as environmental conservation and creation activities and development of environmentally-conscious equipment through effective use of the Kurimoto Environmental Committee and the environmental management system based on ISO 14001, an international environmental standard. With this recognition, we specify a voluntary action plan to address the important challenges we face, which is also considered our environmental action guideline, and make aggressive efforts to promote it.

(Established on February 22, 2000)

## Acquisition of ISO 14001 (Environmental Management System) Certification

(As of June, 2016)

Registered organization	Certified	Date of registration	Scope of registration
Kurimoto, Ltd.	○	December 3, 1999	Sakai Factory, Kurimoto Logistics
		February 10, 2000	Kagaya Factory
	○	March 27, 1998	Divisions (Valve / Plant Engineering and Machinery / Plant System Engineering / Materials and Machinery / Technology Development Division)
	○	July 10, 2009	Katano Factory, Koga Factory
	○	November 30, 2001	Koto Factory, Shiga Factory
Motoyama Eng. Works, Ltd.	○	February 13, 2009	Main Office & Factory

## Green Purchasing/Procurement

### Promotion of green purchasing/procurement

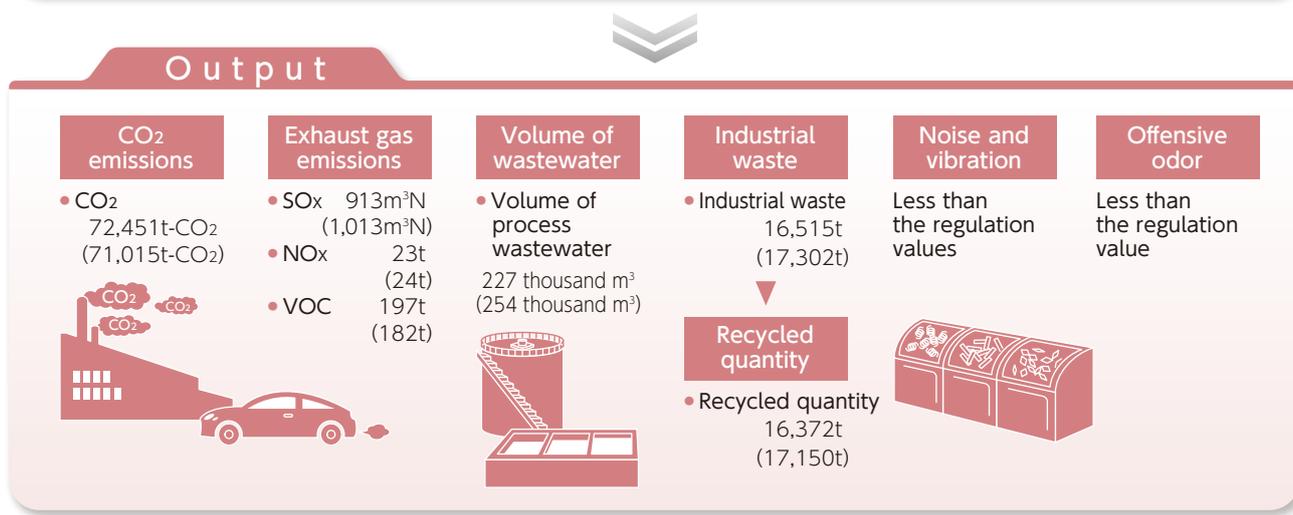
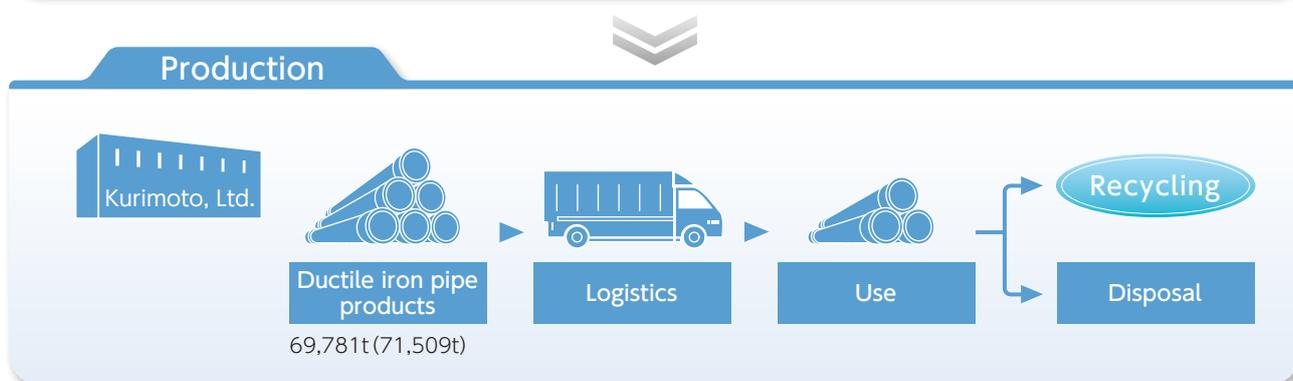
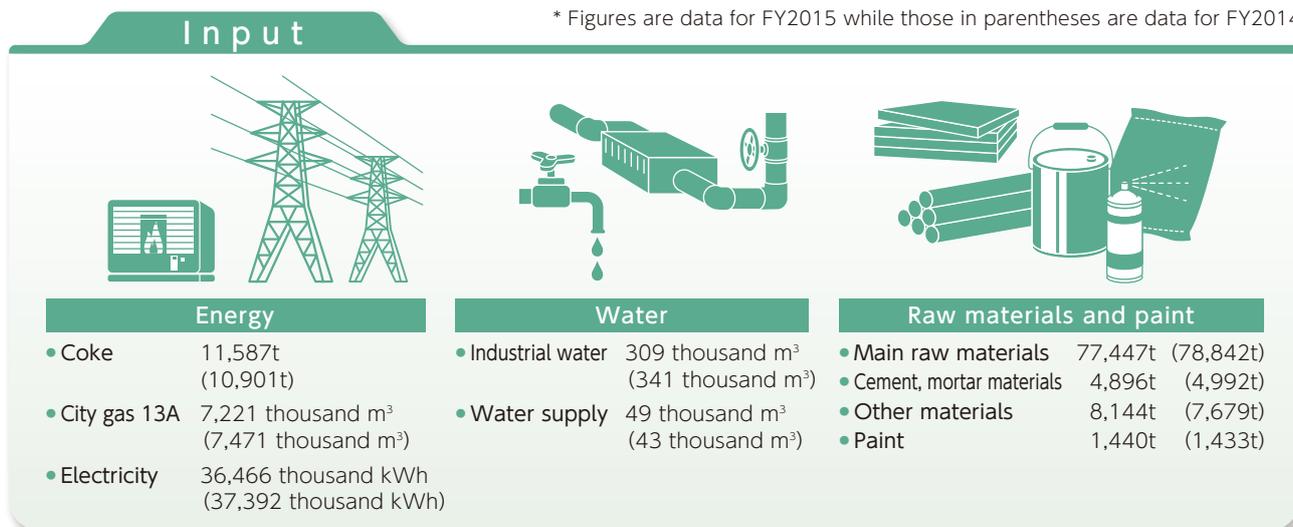
We pursue green purchasing when procuring raw materials and other goods. Our purchases are based on information obtained from the Green Purchasing Network and other sources, to encourage other companies to promote environmental management and development of eco-friendly products.

## Material Flow from an Environmental Perspective

Ductile iron pipes play an important role in the main artery of industry, such as underground water and gas pipes, to underpin people's life in every corner of society including urban, suburban and rural areas. With high adaptability to severe laying conditions, as well as high durability and easy applicability, the pipes are used widely as parts of conduit lines for water supply, gas supply, agricultural water supply, sewage system and industrial water supply. The products

are made of iron, which is highly recyclable. The raw materials, paint, water and energy necessary for the manufacturing of the pipes are used efficiently in an effort to reduce emissions. The material flow in the production of ductile iron pipes is presented below from the perspective of the environment in two of our factories that manufacture them.

\* Figures are data for FY2015 while those in parentheses are data for FY2014



# Prevention of Global Warming

We develop a wide range of initiatives to reduce CO<sub>2</sub> emissions, with focus on iron-pipe-producing factories which account for the majority of CO<sub>2</sub> emissions from the Kurimoto Group.

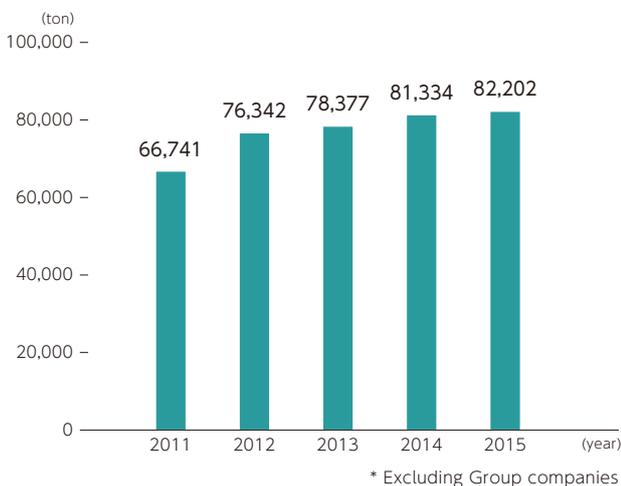
## Energy Saving to Reduce CO<sub>2</sub> Emissions

Kurimoto's facilities are mainly composed of iron-pipe-producing factories which are equipped with cupolas and annealing furnaces, and mechanical factories which have machining and assembly sections. The iron-pipe-producing factories account for 88% of the CO<sub>2</sub> emissions from the whole company.

Our main initiatives to reduce CO<sub>2</sub> emissions include reduction of coke use through improvement of the production method, reduction of power consumption by introducing energy-saving devices at the time of their renewal, and reduction of gas consumption by using waste heat.

In 1990, the base year for the Kyoto Protocol, our CO<sub>2</sub> emissions were 131,145 t-CO<sub>2</sub>. Our emissions in 2015 were 82,202 t-CO<sub>2</sub>, showing a decrease of 37.3% from the base year.

■ CO<sub>2</sub> Emissions from the Whole Company



## Environmentally Friendly Transportation

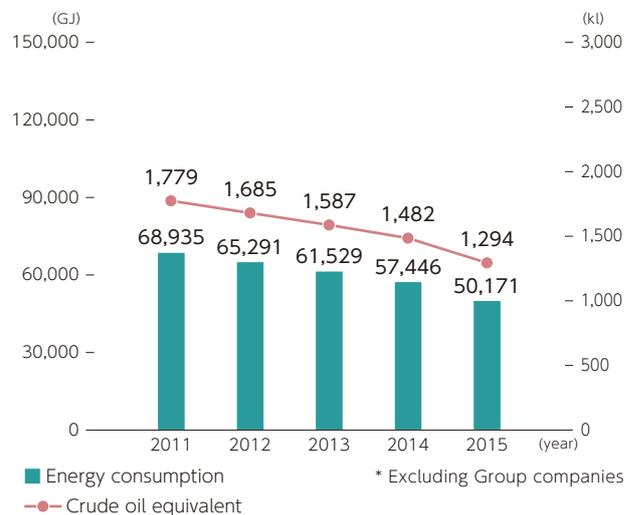
The revised Japanese Energy Saving Law, established in 2006, has required companies to submit an energy saving plan to reduce power use by an annual average of 1% or more since fiscal 2007. To achieve the target, we are continuously taking measures to reduce environmental impact in transportation of cargo.

Some specific examples include our proactive promotion of a so-called "modal shift" to eco-friendly transportation such as railway containers and marine transportation, when shipping products from our factories to distribution centers in various regions.

As a result, we reduced energy consumption by approximately 27% from the 2011 level, to 50,171 GJ in fiscal 2015.

In coming years, we will future strengthen alignment among related departments, and pursue the combination of reduced environmental impact and efficient cargo transportation.

■ Environmental Data (Transportation)



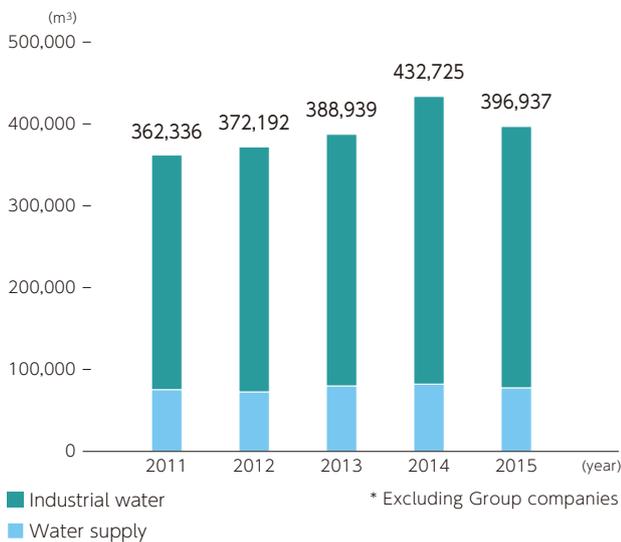
# Conservation of Water Resources, Prevention of Pollution

Kurimoto is committed to reduction of water use at its four production factories, as well as to reduction of chemical substance emissions.

## Conservation of Water Resources

While it is of crucial importance to secure water resources, our production factories also work to reduce water consumption. The total volume of water purchased by the four production factories during fiscal 2015 was 396,937 m<sup>3</sup> (an decrease of 8.3% from the previous fiscal year).

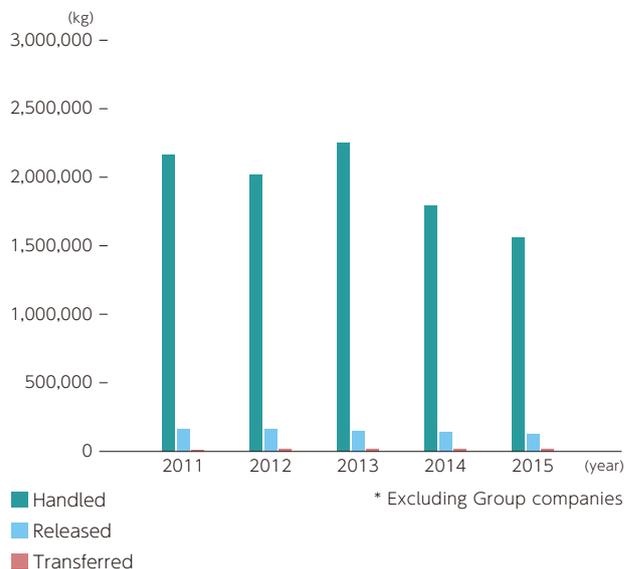
### Water Volume



## Chemical Control

Volatile organic compounds, specifically xylene, toluene and ethyl benzene, mainly applied to coating of products, represent more than 90% of the PRTR-designated chemical substances used in Kurimoto. We take various measures to reduce their usage, such as using water-based paint.

### Total Amount of PRTR\*-designated Chemical Substances



\* PRTR (Pollutant Release and Transfer Register) is a mechanism regulated by the PRTR Law to identify the amount of various hazardous chemical substances released into the environment or transferred to outside the site and to make the data public.

# Waste Reduction

The Kurimoto Group makes efforts to reduce industrial waste, promote appropriate recycling and ensure proper disposal of waste, to reduce environmental impact.

## Waste Reduction Activities

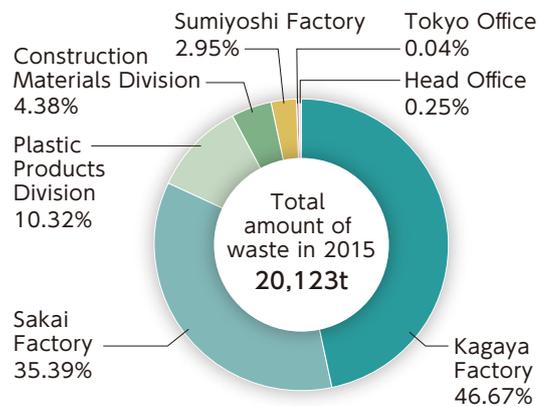
As part of the implementation of the ISO 14001 environmental management system, we aim to reduce industrial waste, promote appropriate recycling and ensure proper disposal of waste, in order to minimize environmental impact.

### Approach to waste reduction

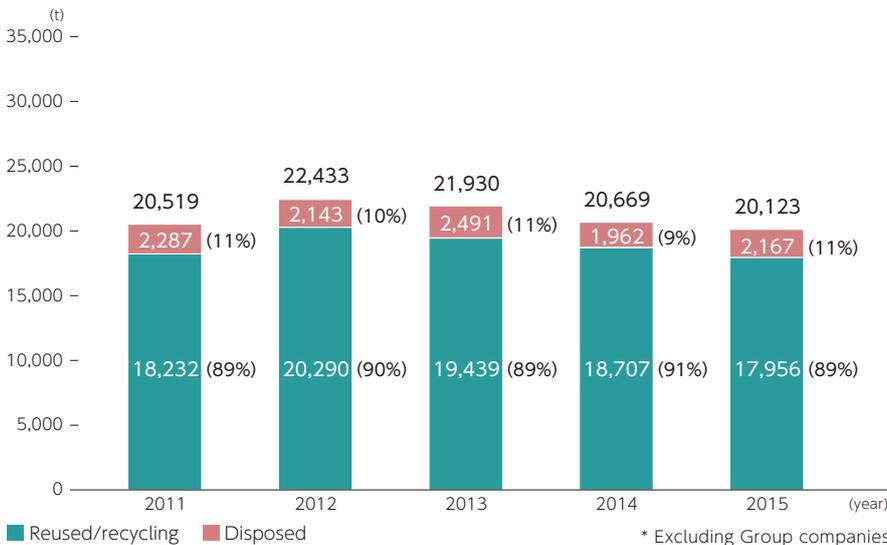
We reduce the amount of waste generated in our worksites and transported out of the sites as industrial waste.

- ① Consider usage of the waste as valuable materials
- ② Consider reduction in waste generation
- ③ Consider recycling of the waste at the worksite
- ④ Mutually share the information between worksites
- ⑤ Share various information on waste collection

### Proportion of Waste by Worksite



### Composition of Waste by Year



## Establishment of the Kurimoto Composite Center

### Accelerating the research and development of a new material CFRP

Carbon fiber reinforced plastic (CFRP), which is an advanced material featuring lightweight and high strength, is attracting particular attention in the fields of industrial machinery such as automobiles, robots and machine tools, and has already started to be commercially used.

We have promoted the research and development of CFRP-related technologies for the use of the new material. To accelerate the development activities, we established the Kurimoto Composite Center at Koto Factory in Higashi Oumi-shi, Shiga Prefecture as the base for CFRP development in March 2016.

This center is equipped with a high-cycle RTM system to serve as a plant for development, trial production and demonstration, and the installation of a Carbon-LFTD system is also scheduled in September 2016. The main machines to be introduced into the plant are Kurimoto's twin-shaft continuous kneader KRC Kneader and a hydraulic press manufactured by the German company Wickert, which has been used for molding of fiber reinforced plastic. These systems will substantially reduce the molding time in comparison with conventional CFRP molding systems, and also reduce costs with no need to use intermediate base materials (such as expensive prepreg). Kurimoto is the first Japanese company that installed such a plant for demonstration.

We consider the Kurimoto Composite Center to be a place for cooperative creation with customers, and aim for early commercialization through the development of CFRP products as well as the supply of various solutions ranging from materials and molding process to mass production systems and molded items in collaboration with material and die manufacturers.

#### ■ Outline of the plants installed in the Kurimoto Composite Center

##### Carbon-LFTD (Long Fiber Thermoplastic Direct forming) system

In this system, heated and melted thermoplastic resin is mixed with carbon fiber in a kneader, and the high-temperature mixed materials discharged from the machine are compressed and molded directly in a press machine. (The operation is scheduled to start in September 2016.)

##### High-cycle RTM (Resin Transfer Molding) system

In this molding method, resin is injected into a die, in which reinforced fiber such as carbon fiber fabric is arranged in advance, under high pressure, and then heated to be hardened. (The system was installed in March 2016, and is currently in operation.)



470-ton resin molding hydraulic press

## Opening of Jakarta Office

### Committed to gathering information and conducting market research in the most important market for the future

On October 1, 2015, Kurimoto opened its Jakarta Representative Office in the capital of Indonesia to collect information for the operation of overseas businesses. Among the ASEAN countries experiencing market development, Indonesia in particular is expected to grow in the future.

In the three-year mid-term business plan formulated in 2015, the Kurimoto Group sets a vision to become "a company that can respond to the demands of an international society" and aims to expand overseas businesses as one of the pillars. Indonesia has a population of 250 million, which accounts for about 40% of the total population in ASEAN, and has maintained its steady economic growth since the establishment of the democratic system in 2004. There is likely to be strong demand for investment in the renewal and expansion of infrastructure (roads, railways, ports, airports, electricity, water supply and sewage systems, etc.) and industrial equipment (cars, chemical products, food processing, etc.). As infrastructure and industrial equipment are included in our business domains, we will consider Indonesia to be one of our most important markets and be committed to gathering information and conducting market research in the country.



The Jakarta Office is located in the Wisma Nugra Santana building

# Stock Information

## Stock Information

(as of March 31, 2016)

Total number of shares authorized	393,766,000
Total number of shares outstanding	133,984,908
Share unit	1,000
Number of shareholders	9,541

## Major Shareholders (Top 10)

(as of March 31, 2016)

Name	Number of shares held (1,000)	Percentage of shares held (%)
Taiyo Life Insurance Company	12,090	9.3
Japan Trustee Services Bank, Ltd. (Trust account)	9,514	7.3
Nippon Life Insurance Company	6,786	5.2
Resona Bank, Ltd.	4,440	3.4
Mizuho Bank, Ltd.	3,623	2.8
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	3,200	2.4
Iwatani Corporation	2,898	2.2
The Master Trust Bank of Japan, Ltd. (Trust account)	2,892	2.2
Sumitomo Mitsui Banking Corporation	2,720	2.1
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	2,303	1.7

Note: Treasury stock (4,763,381 shares) is excluded from the calculation of the percentage of shares held.

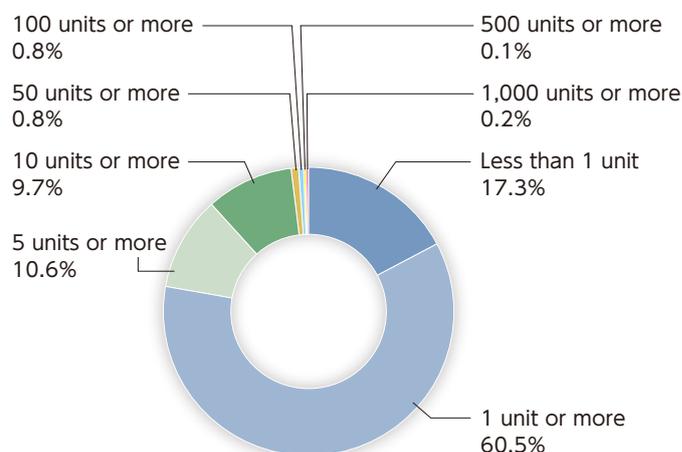
## Breakdown of Shareholding by Investor Type

(as of March 31, 2016)



## Breakdown of Shareholding by Number of Shares Held

(as of March 31, 2016)



## Shareholder Information

Fiscal year	April 1 through March 31 of the following year	Inquiry phone number	0120-288-324 (toll free in Japan) Open from 9 a.m. to 5 p.m. (except Saturdays, Sundays and public holidays)
Annual Meeting of Shareholders	Held in June every year	Managing agency for special accounts	Mizuho Securities Co., Ltd. Head Office, branch offices, sales offices and Planet Booths (satellite offices within Mizuho Bank lobbies) across Japan Mizuho Trust & Banking Co., Ltd. Head Office and branch offices across Japan
Record date of dividend	March 31	Method of public notices	Electronic public notices on Kurimoto's website. However, if an electronic public notice is impracticable due to unavoidable reasons, the public notice will be published in the Sankei Shimbun newspaper distributed in Osaka City. Website: <a href="http://www.kurimoto.co.jp">http://www.kurimoto.co.jp</a>
Year-end dividend	September 30	Number of shares per unit	1,000
Interim dividend	March 31	Stock exchange listing	Tokyo Stock Exchange
Record date of annual meeting of shareholders	Other record dates are established as necessary with prior public notice.	Securities code	5602
Transfer agent and special accounts management institution	Stock Transfer Agency Department of the Head Office of Mizuho Trust & Banking Co., Ltd.		
Location of transfer agent	1-2-1, Yaesu, Chuo-ku, Tokyo, Japan		
Mailing address	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507, Japan		

### For shareholders holding less than 1,000 shares

The number of shares per unit (trading unit) for Kurimoto is 1,000.

You cannot trade odd-lot shares (1 to 999 shares) on a securities exchange, but we have a system to purchase your odd-lot shares upon request.

For details on the procedures, please consult the securities company you deal with or Mizuho Trust & Banking mentioned above.

### Inquiries related to shares

- If your shares are currently deposited with a securities company, please inquire of that company about stock-related procedures such as change of address, request for purchase of odd-lot shares and change of the dividend receiving method.
- If your shares are not deposited with any securities company, your shares are managed through a special account opened by Kurimoto at Mizuho Trust & Banking. As shares in a special account cannot be traded unless a request for purchase of odd-lot shares is made, we recommend that you open an account under your name at a securities company to transfer the shares to that account. For details on the procedures, please contact Mizuho Trust & Banking mentioned above, which is the special accounts management institution.
- Only the payment of unpaid dividends is handled at Mizuho Bank, Ltd. Head Office and branch offices across Japan.

# Company Profile / Editorial Policy

## ■ Company Profile

Company Name	Kurimoto, Ltd.
Founded	February 2, 1909
Incorporated	May 10, 1934
Capital	31,186,098,159 yen
Number of employees	1,364 (non-consolidated) 2,002 (consolidated)
	(as of March 31, 2016)

## ■ Kurimoto Group

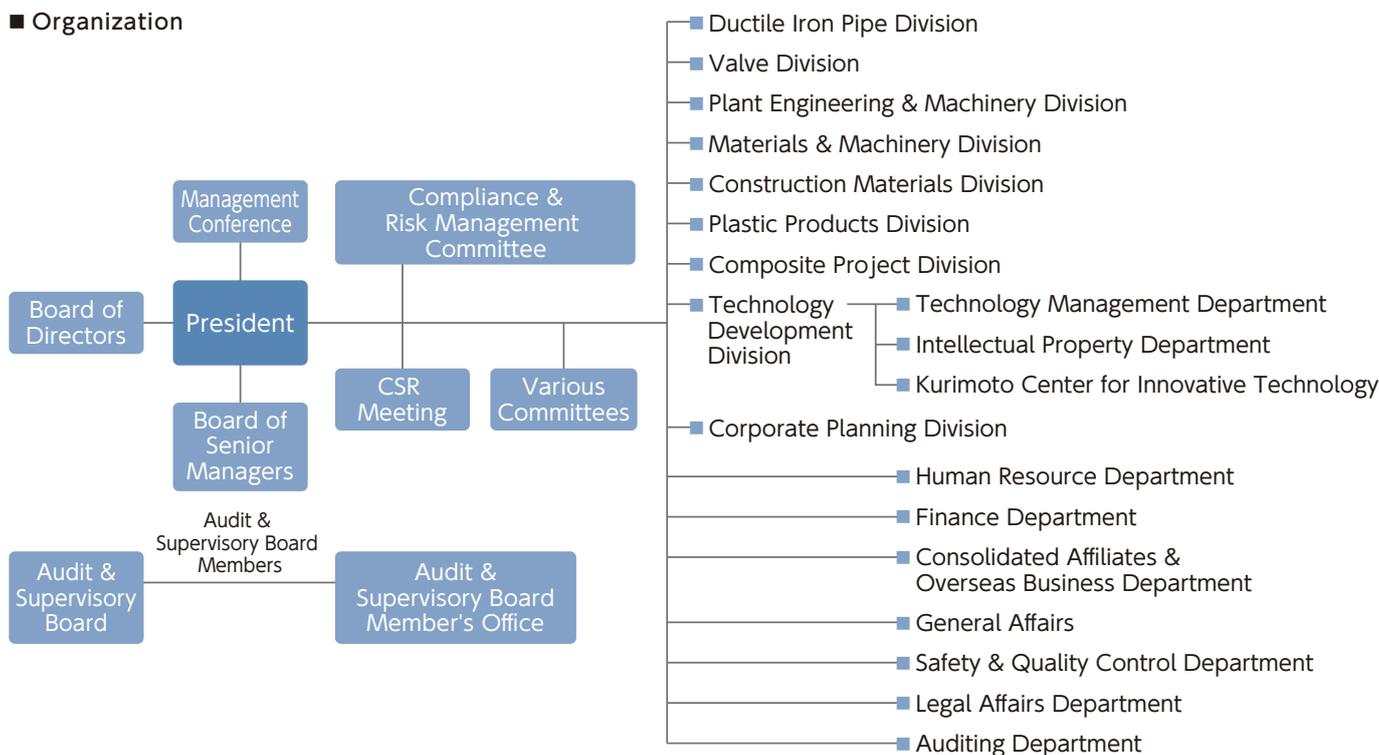
### Affiliates in Japan

- Kurimoto Trading Co.,Ltd.
- Yamatogawa Co., Ltd
- Hokkaido Kanzai Co. Ltd.
- Kurimoto Logistics Corporation
- Motoyama Eng. Works, Ltd.
- KS-Tech Co., Ltd.
- Yashima Chemical Engineering Co., Ltd
- Sasebo Metal Co., Ltd.
- Nihon Kaiser Co., Ltd.
- Kurimoto Business Associates Co., Ltd.

### Affiliates in Other Countries

- Riko, Ltd.
- Kuritetsu (Shanghai) Trading Co., Ltd.
- Readco Kurimoto, LLC.
- Kurimoto USA, Inc.
- Kurimoto (Philippines) Corporation

## ■ Organization



(as of July 1, 2016)

## Editorial Policy

- This brochure is the second integrated report published by the Kurimoto Group, after 2015.
- Our financial information and non-financial information, which used to be disclosed separately, are now presented in a single publication to show the whole picture of the Kurimoto Group, including its business activities, future strategies and plans, management system and CSR activities in a balanced manner.
- This report has been prepared for stakeholders who are interested in our Group's value creation activities on a short-, mid- and long-term basis, including shareholders and other investors, customers, suppliers, employees and their families, students and jobseekers, and citizens and consumers with high interest in environmental issues.
- We also included the latest information at the time of the publication of the report to the greatest extent possible. When the target period or area is different between items, it is accordingly mentioned for each case.

**X KURIMOTO, LTD.**